T.C. İSTANBUL TİCARET ÜNİVERSİTESİ

**GRADUATE SCHOOL OF SOCIAL SCIENCES**

# FAMILY BUSINESS SUCCESSION PLANNING IN THE GAMBIA TEXTILE MARKET

**MBA Thesis**

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**Advisor**
**Dr. Nurgül KELEŞ TAYŞİR**

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## ABSTRACT

When we talk about the family business, we refer to family entrepreneurship and entrepreneurs' immense contribution to a country's economy regarding employment, growth, and competitive advantages. However, it is noticed that only a few family businesses pass to the next generation.

In The Gambia, family businesses create employment and contribute to economic diversification and transformation. The Gambian government and international bodies have set up projects to support the growth of businesses in the country, aiming to promote awareness and social networking between the public and private sectors in entrepreneurship mindset in the society. The Gambia targets five main groups for entrepreneurial skill educational development: the women, low literacy group, rural population, youths, and the disabled who have a passion for business. However, this study aims to analyze family businesses in The Gambian textile sector and their succession plans. Specifically, this paper seeks to find answers to these questions: 'Why the number of family businesses passing to the next generation is limited?" and "What can be done to increase family business succession in The Gambia Textile Market?".

The qualitative research method was used in this study to interact with people who own family businesses and understand how they transfer the company from founder to successors. Semi-structured interviews were conducted with ten family business owners in the urban area, mainly in Serekunda (largest market under the Kanifing Municipal Council) and Banjul (the capital city of The Gambia).



**Keywords:** Family business, succession planning, textile industry

## ÖZET

Aile şirketi dediğimizde, aile girişimciliği ve girişimcilerin istihdam, büyüme ve rekabet avantajları açısından bir ülke ekonomisine yaptığı muazzam katkıyı kastetmekteyiz. Ancak, sadece birkaç aile şirketinin bir sonraki kuşağa geçtiği fark edilmektedir.

Gambiya'da aile şirketleri istihdam yaratmakta ve ekonomik çeşitlilik ve dönüşüme katkıda bulunmaktadır. Gambiya hükümeti ve uluslararası kuruluşlar, toplumda girişimcilik zihniyetinde kamu ve özel sektör arasında farkındalık ve sosyal ağ oluşturmayı teşvik etmeyi amaçlayan ülkedeki işletmelerin büyümesini desteklemek için projeler oluşturmuştur. Gambiya, kadınları, düşük okuryazarlık grubunu, kırsal nüfusu, gençleri ve iş tutkusu olan engellileri içeren girişimci beceri eğitim gelişimi için beş ana grubu hedeflemektedir. Ancak, bu çalışma Gambiya tekstil sektöründeki aile işletmelerini ve onların halefiyet planlarını incelemeyi amaçlamaktadır. Bu çalışma özellikle şu soruların yanıtlarını aramaktadır: "Gelecek nesle geçen aile şirketlerinin sayısı neden sınırlıdır?" ve "Gambiya tekstil sektöründe aile şirketi başarısını artırmak için neler yapılabilir?".

Bu çalışmada, aile şirketi sahibi kişilerle etkileşim kurmak ve şirketi kurucudan haleflere nasıl aktardıklarını anlamak için nitel araştırma yöntemi kullanılmıştır. Başta Serekunda (Kanifing Belediye Meclisi altındaki en büyük pazar) ve Banjul'da (Gambiya'nın başkenti) olmak üzere kentsel alanda on aile şirketi sahibiyle yarı yapılandırılmış görüşmeler yapılmıştır.



**Anahtar Kelimeler:** Aile şirketi, halefiyet planlaması, tekstil endüstrisi

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## LIST OF ABBREVIATION AND ANONYMS

**GIEPA -** Gambia Investment and Export Promotion Agency

**GBoS -** The Gambia Bureau of Statistics

**ITA –** International Trade Administrator

**UNDP -** United Nations Development Programme

**UNCTAD -** United Nations Conference on Trade and Development

**HDI -** Human Development Index

**AFD –** The Agence Française de Développement

**GDP –** Gross domestic product

**WBG -** World Bank Group

**VAT -** Value Added Tax

**SMEs -** Small and Medium Enterprises

**URR -** Upper River Region

**KWh -** kilowatt-hour

**AGOA -** African Growth and Opportunity Act

**GSP -** Generalized System of Preferences

**T&C -** Textile & clothing

**ATC -** Agreement on Textile & Clothing

**WTO -** World Trade Organization

**IMF -** International Monetary Fund

**CBD -** Central Business District

**NEP -** National Entrepreneurship Policy

**IPR -** Investment Policy Review

**PAGE -** Programme for Accelerated Growth and Employment

**MoBSE -** Ministry of Basic and Secondary Education

**MoHERST –** Ministry of Higher Education, Research, Science and Technology

**CEO -** Chief Executive Officer

**KMC -** Kanifing Municipality Council

# 1 CHAPTER: INTRODUCTION

This chapter illustrates the framework of this paper, background, problem statement, and research goal of this study. This chapter will help readers to understand what Family business is and how it contributes to the economy's development as it analyses the background information of the study. The significance of the study will be discussed, and at the end of this chapter, how this paper is organized will also be analyzed.

## 1.1 Background Information of the Study

The family business is the most critical contributor to wealth creation and employment, which plays a vital role in most countries' economic development (Ramadani & Hoy, 2015). Senegović et al. (2015) mentioned that about 80 to 90% of worldwide private companies are family businesses. They employ more than 85% of the total employees and generate more than 75% of the economy's GDP. According to the authors, the average life span for family businesses is 24 years (Senegović et al., 2015).

From the report of Family Enterprise USA (2013) Survey of Family Firms cited by Johnson (2021), it was found that above 60% of family business owners have the intention of *"reducing the United States deficit and debt". However*, the number of family businesses that pass to the next generation is limited. Johnson (2021) cited from Businessweek.com (2010) it was found that *"40% of U.S. family-owned businesses transition into a second-generation business, approximately 13% are passed down successfully to a third generation, while 3% survive to a fourth or beyond".* Another research was conducted in 2013 by the Family Firm Institute indicated that "*30% of family businesses survive into the second generation. Ten percent are still viable into the third generation, while only 3% operate into the fourth generation" (Visser and Scheers, 2018).*

Most researchers indicated that family businesses should have a succession plan for their sustainability as succession plans will help the upcoming generation know about the business, have the opportunity to control the family business to their best abilities. A succession plan in a family business will help avoid misunderstanding or miscommunication with family members, which will help the business move from generation to generation. Also, there should be a family business succession process in the succession plan. According to the book written by Walsh (2011), there are processes to consider in the plan for a successful succession in family enterprises which is

management and ownership. In the second chapter of this paper, which is the literature review, more information about family business from different researchers is provided.

## 1.2 Problem Statement

As mentioned in the abstract and first part of the introduction, family business plays a vital role in the country's economy and the world. It serves as a source of employment for families and contributes a lot to the economy. Despite this fact, only a limited number of firms pass to the next generation. There are gaps that need to be investigated to find a solution for improving the number of firms passing to the next generation and find a solution to their challenges. In The Gambia, although family business contributes to reducing the unemployment rate and increasing the country's revenue generation, no study was made on this topic. Hopefully, this study will help call for awareness for more research on this topic in the future; it will also help researchers figure out gaps to investigate and initiate as an agent to the government to help motivate the family businesses in the country.

## 1.3 Research Goal

This study aims to analyze family businesses in The Gambia textile sector and their succession plans.

Specifically, this paper seeks to find answers to these questions:

- "Why the number of family businesses passing to the next generation is limited?"
- "What can be done to increase family business succession in The Gambia textile market?".

## 1.4 Significance of the Study

In The Gambia, most businesses, especially in the textile sector, are family-owned businesses. Family businesses serve as a source of employment to families in The Gambia and contribute significantly to the country's Gross Domestic Product (GDP). Although the Gambia still lacks behind in making things easier for doing business since the implementation of doing business project 2008 as mentioned in the research done by World Bank Group (WBG) comparing business regulation in 190 economies in doing business, indicators report 2020.

International organizations such as the African Growth and Opportunity Act (AGOA) and World Trade Organization (WTO) have supported many countries in Africa in the business environment,

especially in the textile market. Also, The Gambia government has set up projects to support the growth of businesses in the country. The project also aims to promote awareness and social networking between the public and private sectors in an entrepreneurship mindset in society which will help encourage and motivate businesses. Therefore, there is hope that things will be better in the near future for the Gambia business sector as The Gambia, with lots of room to grow, has made it clear that its open for business that aims for the improvement of the life of its people since the change of government after 22 years of dictatorship to democracy in 2017.

This paper will research ten family business owners in The Gambia to examine how the family business works with succession plans. Also, the challenges affecting their successes with detail of their succession planning will be examined. After conducting the research, this study will draw recommendations for the government and the potential business holders on how to minimize the challenges in order to help the growth of family business in The Gambia.

I was inspired by my father to conduct research on family businesses in the Textile sector. He has been involved in a family business for over Thirty years and forms his own business for over twenty years now. I used to help him in managing the business when I was in my 2nd year of bachelor's program until after graduation. I notice that most of the textile businesses in The Gambia, including father's business, find it challenging to move from the first generation to another generation. This was the aim thing that motivated me to conduct this research paper.

Finally, no study was conducted before this paper to my knowledge to talk about family businesses and how they control the country. Therefore, this study aims to help future researchers observe essential points to analyze as there is a huge gap that needs to be examined.

### 1.5 Organization of the Paper

This paper is divided into six (6) chapters. The first chapter is the introduction to this paper, which includes this thesis's background information and research goal. The second chapter is the literature review. As the data for this research is collected from The Gambia, the third chapter discusses family business in sub-Saharan Africa and The Gambia. In the fourth chapter, the research methodology was discus which involves the research design, the data collection method, population and sampling, how the interview was conducted, and the analysis process of this study. The fifth chapter analysis the findings of this study from the data collected. The final chapter gave a conclusion to the research and highlighted some recommendations and the study limitations.

# 2 CHAPTER: LITERATURE REVIEW

## 2.1 Definition of Family Business

According to Colli (2011), family businesses became famous in the business industry during the 1990s. Family business is the most critical contributor to the world in wealth creation, and employment also played most of the key roles of economic development in most countries (Ramadani & Hoy, 2015). The story begins during the 1950s and 1960s in Italy, where the largest store companies in the country were owned by two related families that came into a collaboration to run a business, manage, control, and the shares were owned by the families themself (Colli, 2011). Even though it existed before the story begins, according to Colli (2003), it first started in the United States between the year 1870s and 1890s, which was encouraged by a manifested company that deals with technological innovation in transportation and production, which were commonly known as the second industrial revolution. The family business was probably not considered by the social scientists before the 1970s; instead, they mainly concentrated on other issues rather than things that deal with family businesses or even natural world properties or structures (Colli, 2003). Family firms were identified as a step towards improving organizational rules by those who deal with research on changes in the financial and ownership structure of growing businesses (Chandler 1962, Marris 1964, and Galbraith 1967; Colli, 2003). When the study began in the 1960s and 1970s, researchers, especially organizational scientists, started doing research on the strengths and weaknesses and how to manage family firms most systematically and straightforwardly (Corbetta 2001; Colli, 2003).

Family businesses can come up with different meanings from people based on how they understand or view the business. De Falco (2016) indicated that there is still no specific definition of a family business, and from their point of view, they analyze that *"an enterprise may qualify as a family business when one or more families, related by blood ties, affinity, or solid alliances, control the enterprise"* (p.5).

Most researchers agree that family involvement and the behavior of a family towards the business make family businesses different (Miller & Rice, 1967; Chua et al., 1999). Chua et al. (1999) stated in their article that even family business owners misinterpret family firms' definition. The authors

did a survey by interviewing founders of some family firms, and a result came out from a CEO of a business which is managed by a family and are in their third generation disagreed with being classified as a family business because few of their shares being owned by public shareholders while other results with similar attribution from another founder classified themselves as a family business. Another result from members of a business that is fully owned and managed by a family classified themselves as a non-family because they believe that for a business to be called a family business, all workers should be family members and no outsiders. Chua et al. (1999) state that family involvement cannot determine whether a firm is family-owned or not. Some businesses with the same family involvement ruling management styles and ownership may consider themselves a family business, and others may not. Therefore, there is a need to find a specific definition to differentiate a family business from a non-family business.

Chua et al. (1999) reviewed some articles to analyze the different definitions of a family business from various researchers, and about 21 definitions agreed that family business is based on the nature of family involvement, whereas the business is owned and managed by a nuclear family. The family business can also be classified as a business that involves the family and the head or founder join in managing and being the board of directors (Beckhard and Dyer, 1983; Chua et al., 1999).

The term family business is understandable by most people, yet; it is also very complicated to define in a most appropriate way or give it a specific definition (Ramadani & Hoy, 2015). Ramadani & Hoy (2015) define a family business as a firm in which one more family member is part of the board of directors; also, the company ownership and control are in the hands of the family. Steiger et al. (2015) did a survey to find out whether there is a common definition of a family business and their findings show no specific definition. Still, the most common description used to analyze family business can be said to a business that is innovated, owned, managed, and a family takes decision-making to transfer it from one generation to another. Although there is no specific definition to a family business, Machek & Votavova (2015) state that for a business to be called a family business, these three characteristics must be present which involve a family member owing most of the share capital of the company, the controlling right, decision of share distribution and final decisions are taken by the family members also family members should hold the position in the top management and supervisory level of the company. Martin-Reyna & Duran-

Encalada (2012) define a family business as a firm in which the successor or the founder control, have the final say in decision making, strategic planning, and implementation toward the interest of the business.

Although most people think that what makes a family business unique in the sense that it is owned and managed by family members, which are also essential and needs to be present, its uniqueness is the business ownership, management, control, succession plan, interest, strategics towards its long-term operation and also the implementation of its formulation and design (Chua et al., 1999). According to Chua (1999), a family business can clearly be defined as a business that is owned and managed by a nuclear family and has the intention of a succession plan. This definition brought questions like how if a business is managed but not owned by a family or owned but not managed by the family, can it be classified as a family firm? With this definition, we might be including businesses that are not family businesses or excluding others. Chua et al. (1999) capture a definition which includes all the review they did in their research from other researchers and defined family business as a *business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families (25).* Chua et al. (1999) analyze that the vision should be put into practice and not be shared by the majority of the family members as the conflict within family members is well understood, whereas the dominant coalition needed to generate from the majority of the members.

From the above definition, we can therefore differentiate **family business and non-family business** in a comprehensive way. The family business can be defined as a business that is innovated, managed, controlled, and the family members own shares. They make decisions regarding managing the business with the interest of transferring it from generation to generation. Whereas on the other hand, according to Jorissen et al. (2000), Non-Family businesses can be said to be businesses where members who are not even related form a partnership to create a business in which a particular family is not said to own the majority of the shares instead, each partner of the business hold a certain percentage of the shares. Rubio et al. (2017) have differentiated family businesses and non-family businesses using five main concepts, which involve "*management*

*perception, family ownership, desire for continuity, family management, and family involvement in the business".* Their findings also reveal that their differences are based on the abstraction that is used in the family business, or sometimes their differences might be based on their international commitment. In a family business, members are willing to sacrifice in terms of performance, time, cost control, and also towards the interest of the company compared to non-family firms (Machek & Votavova, 2015). Chua et al. (1999) differentiate a family business from a non-family business based on the business's vision, interest, and behavior.

## 2.2 Advantages and Disadvantages of Family Businesses

According to Beehr (1997), there are advantages of family businesses in the market as the members will have a stronger commitment, loyalty, and shared values towards their business's growth than that of non-family businesses. Family business cannot only be considered as a way of family goal; instead, it helps to build wealth for the family in the long run and employment for its members (Machek & Votavova, 2015). According to Devine (2017), family firms play a critical role in the world economy's stability as most of every country's Gross National Product (GNP) is from family businesses. It helps a lot in reducing the unemployment rate. Ongkowijoyo et al. (2020) state that countries' economic growth is with the family business either being a small or medium enterprises or corporations. Cioca et al. (2020) state that family firms always care for maintaining their culture and family legacy, motivating them to keep the business succession from generation to generation. According to Cioca et al. (2020), family business owners usually involve professions in their innovation processes to guide them and tell them how to maintain financial consistency, which helps them maintain the family business resources to different generations.

Macheck & Votavova (2015) did a survey to research the advantages of a family business. The findings show that family businesses are long-term oriented. They always work towards the company's interest to survive in many generations even if there is conflict within the family. They always look forward to the benefit of the firm, which is absent in non-family businesses. Family firms are more consistent in controlling income and revenue and cost reduction for profit-making and stability. In addition, employees are more secure in the family business as the employers do not willing to fire them even during the crisis, and their working environment is more comfortable and friendly. Macheck & Votavova (2015) also indicate that the founders of family firms are

comfortable sharing knowledge and skills with employees to gain more experience in their area of interest.

Another advantage listed by Macheck & Votavova (2015) in family firms is that they always hire people who are best known in quality and culture, which will positively impact the company's products and services. According to Mikušová et al. (2020), family firms survive in a crisis because of their socioeconomic wealth (SEW) as family members will be in control no matter what because of their identification with the family business and emotional attachment, which can not be found in non-family firms. The author also indicates that family firm's survival in terms of crisis is because of their willingness to fund the business, mobilize their resources, behavior adoption, and they are always able to suck up, especially in financial downturns. Mikušová et al. (2020) state that family businesses always have the ability to maintain their employees in a time of crisis and reduce their assets instead. They also give maximum respect to their stakeholders, which involve the customers, suppliers, employees, investors, etc. and have goals for both financial and non-financial (Mikušová et al., 2020)

Both Beehr (1997) and Macheck & Votavova (2015) agreed that conflict is the main disadvantage in the family business as it can cause lots of impacts in business. It's crucial to consider the business's effectiveness and avoid bringing personal issues in the office even though most staff in the working environment are people close to each other. Therefore, treating them poorly can lead to something negative. Also, conflict can lead to so many personal issues. It might even cause the family to appoint the wrong family member in a position they don't even have knowledge or training, which can negatively impact the business's success and lead to a stressful working environment. Macheck & Votavova (2015) analyses different conflicts within the firm's family members, for example, a conflict between the founder and the successor, whereas the founder might be the parents and the successor the children. Some children might consider the ruling of their parents as old-fashioned and would like to introduce new trends and media communication that parents need to accept because the current generation is more beneficial to the technology system and fashions in line with society. They also indicate that conflict might arise when parents expect more from their children to increase the business's profitability while the child is not interested in working towards the interest of the family firm. Macheck & Votavova (2015) also

indicate that conflict may arise between siblings due to positions levels mostly or between founders' children and employees who are non-family members in the form of nepotism act. They also find out that family business founders who are being strict which so many rules and regulations may negatively affect the firm. Most employees and family members will not have room to express themselves as there is no democratic leadership to show up with different skills.

According to Kasakin (2014), the issue of familism, which means putting into consideration of family priority before the business, is the reason for the failure of many family businesses. He indicates that, for a family business to be successful, discussions should not only be within family members but needs to be put on the business board to allow different opinions for the development of the business and not familism. Mostly, non-family members in a family business experience underappreciation as promotions are normally for the family member even with low experience or qualification. In terms of employment, founders of family businesses are always unwilling to employ professional non-family members as managers, which will affect the business in succession planning and weak innovation because of lack of knowledge in the strategic decision (Kasakin 2014 and Ciaca, 2020). Mikušová et al. (2020) state that most family firms experience poor economic outcomes and high non-economic outcomes due to not giving non-family members the opportunities given to family members. Kasakin (2014) states that most family members working in the business always feel annoyed as most of their colleagues see them as the CEO's child and not as someone professionally employed in a suitable position. According to Mikušová et al. (2020), family firms Human Resource (HR) department are not steady or formalized as they always expect high performance from family members than non-family members while most family members are unable to do as expected due to the reason of employing base on family favoritism (reverse-nepotism) which always have a bad impact on the outcome of the firm.

### 2.3 Family Succession

Family succession can be defined as the transfer of family business ownership from one generation to another. According to Bozer et al. (2017), for an effective succession, the future successor of the family should build a good social capital, understand and have good experience of the business, adopt leadership skills, learn about the organizational culture, and also love and have interest in the business and work towards its effectiveness. They further indicate that gender bias should be

eliminated as gender plays an essential role in the succession planning of a family business. Women are considered to be more committed, especially when they involve in board positions, because of their leadership abilities. They also mention that factors like birth order, nationality, and industry context must be considered in succession planning.

According to Haag (2006), the most important thing for a family business succession is communication and power. Meaning as a successor should have emotional intelligence, which represents the communication aspect, and also power relations which include leadership skills towards the family business.

Although, most companies fail in term of succession due to many negligent reasons such as unprofessional successor selection decision by the founder (in considering his or her children first to be controlling the business instead of selecting base on experience and interest of the business), siblings behavior towards succession decisions (family members especially sibling are always interfering in who to stay and who should not remain in making decision for successors which may be done base on favors), sibling who could work in the business but prefer to do outside employment or to work for another company by considering their family business as old line or even study something different in the name of searching for new opportunity whereas they could continue to the next generation, put in board successors who has no interest towards the expansion, sustainability and also interest of the business to be in charge whereas they will just stay in the name of destined or taking over because the father is old and could not handle it anymore, also siblings forming their own business after starting their own families whilst they could join hand in the family business (Bizri, 2015).

For a succession to be effective in a family business, the following components should be followed. First, potential successors need to be identified by selecting one or more candidates to give them the opportunity in terms of leadership duties in order to train them on how to be a good successor before the final decision is made. Secondly, the management style needs to be updated based on the interest of the business and teach the upcoming successors how to control and manage their employees in the best management style for a better leadership position. Third, the selected candidates as successors should be given good training for appropriate leadership and better

development in the family firm. And finally, select the best successor based on their leadership skill, experience, interest in the business, consistency, ambition, and academic knowledge for better control in the company (Mutunga and Gachunga, 2013; Maphisa et al., 2017).

## 2.4 Family Business Succession Planning

When we talk about family business succession planning, it has multiple definitions. Kiwia et al. (2019) chose the definition of Noe et al. (2012) as they highlighted the most important things when we talk about succession planning, i.e., successor selection and preparation. They define it as the way in which the family business leader chooses or selects the one to control the business in the next generation and also prepare them on how to handle the day-to-day activities of the firm. If a company, especially a family firm, did not have any succession plan, there is no hope for the continuation of that business in the future or even for a second generation (Garg and Van Weele 2012; Maphisa et al. 2017).

There are differences between succession planning in large family companies and that of small companies. Selecting the leaders or successors for the next generation in large family businesses is broader and may involve professionals with academic qualification and experience in the interested area than in small family business companies whereas mostly the successors are determined by the family members, and it is mostly from the family itself (Tatoglu et al., 2008; Mokhber et al. 2016). The researchers also indicate that most companies do not survive from generation to generation due to a lack of effective family succession planning. They did research stating that only 30% usually make it to the second generation while 70% collapse due to ineffective planning, also only 12% of the 30% normally make it to the third generation and 3% to the fourth generation and above (Kalra and Gupta, 2014; Mokhber et al. 2016).

Mokhber et al. (2016) indicate in their research paper that government and people with family business knowledge also have an essential role in making family business holders know how important it is to have succession planning. They can organize programs like workshops and seminars and invite business holders to inform them about how important succession is in the effectiveness of their business performance, sustainability, and profitability also how to manage the business to be able to make it to successive generations with effective planning strategies. Choosing employees needs to be done wisely as well, which should not be based on relationship

but qualification and experience in order to motivate the upcoming generation to control the business in the most appropriate way and interest of the business succession.

According to Ugoani (2014), succession planning is the gateway for success in business, especially family business. He gives an example of the most recommended family business in Africa, the Dangote Group, which concentrates on sectors such as cement, sugar, salt, condiments, flour, packaging, energy, port operations, fertilizer, and also petrochemicals (Dangote, 2020), succeeded because of a good succession planning.

### 2.5 Family Business Succession Process

It is important to understand what the family business succession process is in order to be able to succeed in succession planning. Devine (2017) defined the term succession process as a process that includes "*the process of planning for succession (that is 'succession planning'), the actual plan itself (that is 'the succession plan') and the succession event (that is the point at which succession from one generation to the next occurs)" (p.4).* The author identified succession planning as the process of succession event plan which involves transferring the business management from one generation to another. The author also identified the succession plan to be a process in which all decision for an effective succession planning is transparently made (Devine, 2017). According to Kazakin (2014), for a family business to be successful, there should be a succession process that is planned and formalized. Also, to have the best working environment in a business and good relationships within the family, it is good to enable interaction of members in different generations.

Kazakin (2014) states two essential factors of the succession process: the owner or founder understanding the need of his or her retirement as he or she may not be able to do most of the business activities as needed at an old age. He also mentioned that it is important to make arrangements of the relationship between the owner and the successor by differentiating the relationship between business partnership and family relation. According to Handler (1994); Churchill and Hatten (1987), there have been four different succession stages which are *(1) a stage of owner-management, where the owner is the only member of the family directly involved in the business; (2) a training and development stage, where the offspring learns the business; (3) a*

*partnership stage between father and son; and (4) a power transfer stage, where responsibilities shift to the successor (p. 135).* These stages were developed to describe different succession process life cycle approaches in a family business between the father or founder and the son or successor (Handler, 1994; Churchill and Hatten, 1987).

According to the book written by Walsh (2011), there are processes to consider in the plan for a successful succession in family enterprises which is management and ownership. Musselman (2015) states that the succession process can be successful if there is a healthy relationship witness the founder and the successor to set a specific goal, and the founder must be ready to step down and make the transfer of leadership either in ownership or managerial process. Although succession process is important to help in successful succession, for a more successful one, it is also important to have business strategies and planning, capital and organizational control, good employees and business demographics, also a good succession plan (Musselman 2015). Walsh (2011) indicates that for a successful planning process, it is advisable to consider the management side of it first and then the ownership process so that in case of family constitution agreement, the ownership can reflect under the management succession process (p15). According to Nordqvist et al. (2012), the ownership and management process is something that needs perfect attention and understanding in a succession process in small or medium family businesses to achieve the best transition process. Dunn (2012) mentioned that if a family firm does not have any plan for the process of succession will end up causing conflict not only within family members but also among the family and non-family members involved in the business.

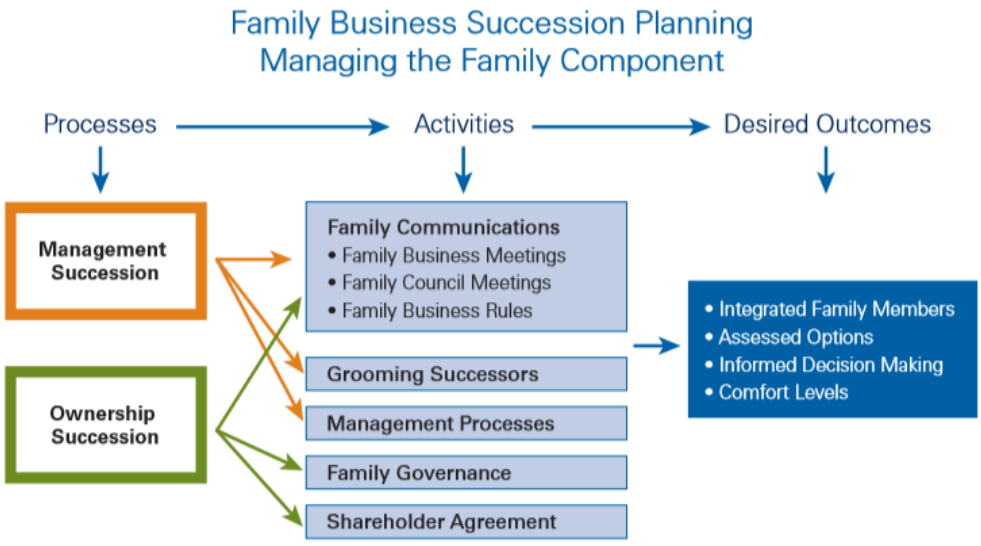



**Figure 1:** Family Business Succession Planning Processes

Source: (Walsh G., 2011 p.15)

### 2.5.1 Management Succession Process

Churchill and Hatten (1997) define management as a process of controlling the business's day to day activities and strategic guides for the interest of the business. According to Walsh (2011), the management process is the process in which each member in the business, either family member or management staff, is given a job description. All members job description explains what is expected from them and it also motivates them to achieve what is best expected from them for the interest of the family business. According to the author, most successors have the attitude of "*we will just have to continue doing it dad's way until we can figure out how to do it like most businesses do it*" and this behavior often leads to ineffective management processes (Walsh, 2011).

According to Utami et al. (2017), if a management-first business approach is in family business rules, then it means family members need to have job experience in another company before enrolling in the family firm. For a successful management succession process, the current owners need to believe in the upcoming generation, motivate them, help them in the social capital aspect, and also involve them in the day-to-day activities for them to have an interest in the effectiveness of the business. Everything about the business needs to be communicated with the upcoming

generation, they need to be satisfied with how the management succession process is set, and they should be given the full opportunity to express themselves in their roles or duties and in controlling the management of the business (Walsh, 2011, p. 23).

According to Utami et al. (2017), for a management succession process to be successful, the successor must have five characteristics which involve the successor being a good strategy developer and have good business management skills to be able to develop creative ideas and to manage the business to its best level. The successor should also have company goals and implementation strategy to have the intention of leading the company in an effective way and to be ready to tackle any difficulties in the family business. The successor must also have a plan for the succession process to have a clear map of the transfer of the family business leadership. They should also have a clear arrangement of transfer of leadership roles which involve farewell for our outgoing leaders and try to get strategies of involving them in the company as senior generation supporters to the family business after the transfer process. And the successor should also have a clear understanding of the family business culture and have an effective leadership style to make the workplace attractive, have effective implementation rules and partnerships to be able to achieve the company goals.

### 2.5.2 Ownership Succession Process

According to Churchill and Hatten (1997), Ownership succession can be defined as the process of controlling the business property rights. After processing the management succession plan, it is advisable to go on to the next step that is the ownership process, by letting the successors take responsibility for the business management and ownership (Walsh, 2011, p.46). Nordqvist et al. (2012) state that the ownership process is not only important to the new generation but also to the previous one as it involves risk-taking, emotional issues, governance, and management resources which play an important role in the succession process of the family business. There should be an agreement between the owners and the next generation to start an effective plan and avoid any conflict in the future (Walsh, 2011, p.46).

Utami et al. (2017) state that if an ownership-first business implies in a family business, then it means the family members who own the business will not be active in the day-to-day activities of the business. In this type of business, the term of investment in the enterprise and the risk of investment is always the main issue, and the time frame is always short also, the financial

evaluation of the company is dependent. According to Utami et al. (2017), the ownership succession process must have an effective successor who is able to govern, manage and control the family business base on mutual trust in the family and control the activities base on the interest of the business. The successor must also proper record of the family assets and exclude any non-family assets from the business to be able to maintain the integrity of the business. For better performance of the business, the successor must have a performance appraisal to motivate higher expectations from the business employees (Utami et al., 2017).

For an effective ownership succession process plan, it is advisable to start this process if there is any family member in the senior management of the business because working with trusted advisers and owners without any family member may bring misunderstanding within the family. The owners need to feel comfortable with the upcoming generation, motivate them, have trust in them, and they need to know that the legacy of the family business depends on transferring it from generation to generation for the business and the personal value they build in the business to be respected (Walsh, 2011, p 46 - 47).

## 2.6 Challenges of Family Succession Planning

According to Ugoani (2014), from his research findings, he stated that most family business firms in countries like Nigeria fail as a result of the death of the founder in the first generation, or even if it continues, their will might be a problem for them to move to another generation smoothly as they will involve in long term court cases. He also highlighted another challenge which was agreed based on the viewpoint of Akanwa (1997), whereas he stated that most succession plans fail because of a lack of inadequate experience in the management, especially the manager.

Pandey et al. (2014) analyze challenges faced through this stage are either technology issues or during the process like lack of adequate tools, lack of plans for the business, not having the best employees, and also lack of formal process.

## 2.7 Barriers to Effective Succession

There are certain elements that need to be eliminated in order to be successful in the family business succession process. Holte (2019) analyses six elements that normally affect the effective

succession in family businesses which include: unhealthy family relations, the unwillingness of the incumbent to step aside, aptitude and unwillingness of the successor, succession planning, mutual role adjustment, and lack of open and honest communication.

### 2.7.1 Unhealthy Family Relations

Unhealthy family relation does affect the succession or continuity of a family business. According to Le Breton-Miller, (2004), when we talk about succession planning, it means the process of putting necessary measures and strategies for the purpose of moving the family business into generation to generation. Therefore, for succession to successful, there must be trust, mutual understanding, and brainstorming among the family member and findings also shows that the relationship between family members do determine whether the business will make it or not (Le Breton-Miller, 2004). From the interviewees of Holte, (2019) research paper, the advisors state that to eliminate this barrier, all family members who are directly or indirectly concerned with the successions process must be involved in avoiding any form of conflict.

### 2.7.2 The Unwillingness of the Incumbent to Step Aside

The main problem of a family business to be successful is the incumbent not willing to step down and give trust and responsibilities to the upcoming successor (Holte, 2019). Incumbents always have believed that they may lose their status in the family or the community if they step down and give all responsibilities to their successors. All that will be required from them when their time expired is to develop, direct and learn from their mistakes to help the new successor do the work differently and more effectively, which is always a problem to have one that behaves in such a way (Sharma et al., 2001).

There is always a conflict in this situation because employees will see the incumbent as the boss and will follow his or her decisions more seriously than that of the successor (Holte, 2019). This is harmful and may cause failure to the family business as the family members may be upset and might not even give orientation to the successor, and the incumbent can go to the point of making life difficult for the successor in the business environment (Sharma et al., 2001). Also, if the incumbent is part of the company ownership, the situation will be more serious as he will still have

rights and control in the business as stated in the law of business shareholders (Sharma et al., 2001). The reason might be either the incumbent did not see the appointed successor trustworthy as a person, or the incumbent did not trust the ability of the successor to be able to take responsibilities and control the business as a leader (Holte, 2019).

### 2.7.3 Aptitude and Unwillingness of the Successor

Most successors are not selected base on qualifications, skills, or capabilities to be able to handle business operations and running them in the best interest of the family business (Filser, Kraus, & Märk, 2013). Most of the time, successors are selected base on incumbent offspring without even looking at their professional competence, which is among the main failure of succession in the family business (Holte, 2019). Lack of competence in the leadership of a successor is mostly the cause of conflict within a family business, and incumbents do select their successor base on gender and age, meaning the older child among the siblings is considered to be the next successor even without the business skills, knowledge or willingness (Filser, Kraus, & Märk, 2013). This issue will affect both the succession process and the success of the company in the long run as the successor is not potentially qualified to lead the business (Filser, Kraus, & Märk, 2013).

### 2.7.4 Succession Planning

According to Sharma et al. (2001), to be successful in the succession process, there should be a proper succession plan developed to help increase the chances of cooperation among the company stakeholders and reduce conflicts in the business. Most family businesses want a successful succession, and, surprisingly, most of them do not even have any planning for the succession process (Holte, 2019; Handler, 1994). Lack of succession planning is the main failure of most family businesses because of the incapacity of founders to draw a plan towards the succession process. Holte (2019) states that it was suggested that there should be experts in this field to engage in advising family business owners to take notes of planning in successions as "*Careful business succession planning increases the probability of a successful transition, enhances the transfer of valuable business knowledge, and helps minimizes the chances of future financial instability of the firm"* (p. 15).

### 2.7.5 Mutual Role Adjustment

According to Holte (2019), family business succession will not succeed if the incumbent refuses to step down, as mentioned above, because there will be confusion in the role he should play and that of the successor, which may bring conflict in the business. However, there should be mutual understanding, respect, a good working relationship, and communication between the incumbent and the successor to achieve a positive result in the succession process (Handler, 1994). The mutual role adjustment should be done by the former leader accepting his new position and act accordingly while the successor needs to step in as the acting boss, take responsibilities and work towards improving the business performance (Holte, 2019). The role is so sensitive that if adjustments are not made, it might bring some misunderstanding between the incumbent and the successor to a level that the successor may not be willing to take his or her responsibilities and may even lose interest in his ability to the growth of the business and lose motivation towards the success of the family business (Holte, 2019).

### 2.7.6 Lack of Open and Honest Communication

Communication is the key to any successful journey in life. Dyck et al. (2002) state in their paper that if there is a lack of communication between the incumbent and the successor, there will be no room for successful succession in the business. According to Dyck et al. (2002), there will be succession problems in the family business if there is a lack of trust, lack of shared vision, conflict, or miscommunication between the incumbent and the successor in the succession strategic planning. The communication needed in a successful succession is an open one to all employees and family members to build trust, support among themselves, and willingness to join hands together as one party for the achievement of the business goal (Holte, 2019). Sharma et al. (2003) state that communication is the most important thing in the family business succession process, and it needs to open, which means that every member needs to be given a chance in terms of decision making and discussion to avoid any form of conflict in the future which is always the main barrier in a successful succession.

# 3 CHAPTER: GAMBIA CONTEXT

## 3.1 General Background

The Gambia is known as the Smiling Coast of Africa because of its location on the Map of Africa being the smallest non-island country in western Africa which is surrounded by Senegal in its three sites except in the western side, which is 60km surrounded by the Atlantic Ocean. The Gambia, with its capital city Banjul, which was called Bathurst until 1973, is situated where the Gambia River flows into the Atlantic Ocean, and it gets its source from 'futaJallon' plateau in the northern site of Guinea, westward through its surrounded neighboring country, Senegal (Cham 2018). The area of The Gambia is 11,365 square kilometers (4,388 sq miles) approximately, 1,300 square kilometers is of water bodies and 80km coastline with an exclusive of 200 nautical miles for the fishing zone with a continental shelf.

The Gambia is a religious freedom country with 90% Muslims, 8% Christians, and 2% others (GIEPA 2017). The Gambia normally conducts Nation Census every ten years. The last Census was in 2013 with an estimated population of 1,857,181(GBoS 2017) and the population as of 2016 (UN estimates) 2.1million (GIEPA 2017). The official language of The Gambia is English, and it has many local languages, which include Wolof, Mandinka, Jola, Fula, Sarahule, Serer, Manjago, and Creole (Krio). The Gambia's most export product is groundnut, and it has two tropical seasons, which are the hot, rainy season from June to November and the cooler dry season from November to May (Gailey et al. 2020).

The Gambia has a very small economy that depends mostly on Agriculture, Tourism, remittances, and it does not have the ability to the outside domestic system. Agriculture and Tourism stood at 6% in the Economic growth of The Gambia in 2019, and the majority of the growth came from high public and private investment (ITA, 17/9/2020). The Gambia is considered among the poorest countries in the world as it was ranked 173 out of 188 countries by the United Nations Development Programme (UNDP) Human Development Index (HDI), with 48.4% of the population living below the poverty line (AFD, 2019). Poverty in The Gambia is mostly caused by a lack of adequate agricultural proficiency, productivity, and also lack of economic diversity (The Borgen project, 2017). Even though the Gambia is the most popular country for tourism, it's

still struggling to maintain a healthy economy as it was ranked 214 out of 230 in GDP per Capital in 2016 (Borgen Magazine, world News 2017). The poverty rate in The Gambia increases between 2010 and 2015/16 by a percentage of 0.5, and the number of people living in the poverty line rises from 0.79 million in 2010 to 0.94million in 2015/16. Most people in The Gambia lives in the urban area where the poverty rate decreases by 1.8% from 33.4% in 2010 to 31.6% in 2015/16 whereas 64% of The Gambia poverty live in the urban area as it increases from 64.2% in 2010 to 69.5% in 2015/16 which shows an increasing point of 8.3% (GBoS 2017, HIS 2015/16).

Since the change of government after 22years of dictatorship to democracy in 2017, The Gambia, with lots of room to grow, has made it clear that its open for business that aims for the improvement of the life of its people. As 70% of the people in The Gambia are employed in the agricultural sector, and 30% of its GDP is agriculture. In an interview with the Minister of Trade, Industry, Regional Integration, and Employment Isatou Touray in May 2018 said, efforts are being made for improvement in the value of agricultural products from the raw products, especially in the cashew, groundnuts, and sesame products (Trade for Development News, 2019).

### 3.2 The Gambia Business Market

According to the research done by World Bank Group (WBG) comparing business regulation in 190 economies in doing business, indicators report 2020, The Gambia still lacks behind in making things easier for doing business since the implementation of doing business project 2008. In the WBG report 2020, Gambia was ranked 119 out of 190 in starting a business, in dealing with construction permits, the Gambia was ranked 145, it was ranked 165 in getting electricity, 143 in registering properties, 152 in getting credit, 170 in protecting minority investors, 172 in paying taxes, 115 in trading across borders, 129 in enforcing contracts and resolving insolvency (WBG, Doing business 2020). The database report of doing business in 2020 shows that the Gambia is only inspired by two indicators which are starting a business indicator as they eliminate the requirement to obtain a company seal and paying taxes indicator by reducing the corporate income tax rate, which was done by replacing sales tax to VAT (Value Added Tax) in the system for making tax payment easier for companies and also reducing the turnover tax rate (WBG, Doing business 2020). This is not a good indicator which is the reason why many investors are afraid to invest in

The Gambia. There are certain things to be aware of when entering the market of The Gambia, which include the Economic climate, market size, infrastructure, energy, and human capital/labor to know how to run a perfect business.

### 3.2.1 **Economic Climate**

Most investors do not want to invest in The Gambia due to the challenges they face in the Economic climate with high taxes rate, financial disadvantage towards foreign investment, and the country's high inflation rate. The indebted rate of the country remains high as it hits 80.9% of the debt-to-GDP in 2019 with an inflation of 7.1%. There is an estimation of a fall in inflation to 6.7% in 2020 and 6% in 2021 for a better investment in the country.

The market size of the Gambia is very small, which is not favorable to companies targeting to have profit within a short period due to its population size but also favors small niche investors and traders who concentrate on specific demand and preferences in the market. It is advisable to have enough capital when entering the market of The Gambia because it is difficult to have load capital within The Gambia and the interest rates are very high, which makes it difficult for investors, especially for the Small and Medium Enterprises (SMEs) also there is always a need of proof of liquidity demands. There should be a backup power supply ready if you want to operate a company in The Gambia as it faces challenges with a constant power outage and high data tariffs in the internet services (International Trade Administrator, 2020).

### **3.2.2 Market Size**

Due to the high rate of poverty in The Gambia, the monthly income level of the public sector earnings is estimated to be as low as $50USD (D2500) to $100 USD (D5100), and 90% of the economy is made up of Small and Medium Enterprises (SMEs). There is a resistance to more significant investments in the Gambia market because of its small size, low Per capita income, and also GDP. In 2019, the low Per Capital income was estimated at $2,298 and GDP of $6.44billion. With the operation of the Gambia-based market, it will be difficult to operate in other large economies through its market because of its limited integration (ITA, 2020).

### 3.2.3 Infrastructure

The TransGambia bridge, which was inaugurated in January 2019 between Gambia and Senegal, has an advantage to The Gambia as it helps to link the Gambia to other West African countries with the use of the corridor between Dakar and Lagos. It also helps to provide a link between The Gambia and Senegal Economically and logistically as the Gambia faces difficulties in poor infrastructure and received a low Rank in The Word Bank's Doing Business report. Two more additional projects of bridges are ongoing in the Upper River Region (URR) of The Gambia to helps in easy transportation and movement of goods for more economic advantages (ITA, 2020).

### 3.2.4 Energy

Electricity is one of the most challenging things in The Gambia and is among the highest cost in the sub-region, which is approximately 25% per kilowatt-hour (KWh) with frequent blackouts and a penetration rate of 35% in a sector. The blackouts are mainly due to ruin equipment with the low transmission, which remains challenging in the current Government's 2018 Electricity roadmap and needs improvement. Projects have been put in place to the solution of the energy crisis to improve in electricity supply in short to medium term, which includes a power ship to provide about 33% of the Gambia's energy (ITA, 2020).

### 3.2.5 Human Capital/Labor

The Gambia's main source of employment is Agriculture which provides over 60% of jobs to the population. Due to the lack of diversification and modernization also the migration of youths to the European countries because of the high unemployment rate of about 74.9% within the age of 15 – 35 have a great impact on the productivity of the Human capital of The Gambia. The literacy rate in The Gambia is very low, which is less than 60% of the population also affects the skilled labor for people to create their own way of earnings because of the limited skills training centers and academies in the market.

### 3.3 Projects Funded by International Organizations Such As WTO, AGOA to Support African Textile Market

International organizations have support lots of countries in Africa in the business environment, especially in the textile market. Organizations like the African Growth and Opportunity Act (AGOA) which was enabled in the United States Trade Act on 18th May 2000 as Public Law 106 of 200th congress. The act involved 37 African Countries, which was signed in the legislative law by President George W. Bush in July 2004 in the U.S congress to assist the Sub-Saharan African economies in providing duty-free access to the U.S market for products exported from the 37 African countries. AGOA has provided many benefits to the African producers in the textile market as they provide stability for native exporters, long-term access to the U.S market more than the benefits from the existing Generalized System of Preferences (GSP) programs. The AGOA legislation expired in 2015 after 15 years of its validity period and is now extended for another ten years to 2025 to provide its benefits (AGOA, 2021). African Textile & clothing (T&C) was almost non-existent in the early 1990s, but with the help of the AGOA project, the countries involved in sub-Saharan Africa were able to increase their exports from $776 million to $1,792 between 2000 to 2004 (Merz & Jauch, 2006).

For a future improvement and survival of the African Textile and Clothing market, it is connected to two international projects which is the global change in the Textile and clothing industry after the Expiration of the Agreement on Textile & Clothing (ATC) project on January 1st, 2005, and the plan of the multilateral trade system which is being negotiated in the current World Trade Organization (WTO) Doha round (Merz & Jauch, 2006). With the ATC act, the global T&C trade was only subjected to a special regime that was centered on a politically motivated quota system for a period of 40 years which expired in 2005. After this expired, the WTO agreements of promoting and moving the T&C trade inside the world, also, the T&C becoming a fundamental part of the WTO system and to be controlled by specific rules and regulations of the multilateral trading system project began (Merz & Jauch, 2006). The WTO Doha round project allows specific rules to use "*which can provide protection for national T&C companies through customs duties or safeguard measures and promote exports through preferential market access"* (Merz & Jauch, 2006, p.9). These policy guides are on the WTO plans for negotiations again for the help of promoting Textile and Clothing industries in many African countries (Merz & Jauch, 2006).

### 3.4 Family Businesses in Sub-Saharan Africa

Family business which lacked a specific definition as stated in the literature review of this paper, Bewayo (2009) states that "*family business which is also referred to as family entrepreneurship is one where there is a dominant family, which owns and controls the business and where there is also a clearly established vision to keep the business in the family across generations" (p. 172).* He also states that a business that does not have these three characteristics that are own and manage by a family and also does not have succession plans for the business after the retirement or death of the founder cannot be considered as a family business. According to Bewayo (2009), for a family business to be called a successful one, there should always be an introduction of new products and services based on what they operate on to be able to make it in the long run and in the competitive market.

Bewayo (2009) looks at two elements that affect family businesses in sub-Saharan Africa, which include the economic/political and social/cultural factors. He also analyses the U.S western models in the Sub Sahara African region to see whether the model is being followed for the interest of family business successions in the long-run period.

#### 3.4.1 Economic/Political Factors

In the early 1960s, most sub-Sahara African countries were colonies and gain independence in this period by the European countries. Most native Africans were involved in the agricultural farming process and mining as laborers, which were owned and operated by the colonial governments where they get the source of raw materials from Africa. Most of the import and export activities were in the hands of the non-native businesspeople like the Indians, Syrians, and Lebanese. The idea of doing business or being an entrepreneur was never practiced by most native people in Africa except those in the western part of Nigeria during this period (Bewayo, 2009).

Most African countries were starting practicing doing their own state enterprises after gaining independence which was more encouraged by the International Monetary Fund (IMF) and the World Bank by putting force on the African government to put restrictions on their economy. Until now, most African countries owed family business hardly move from generation to generation

whilst the practice begins since in the 1980s and most state-owned enterprises were found in 2000 (Bewayo, 2009). This is because state-owned enterprises were sold to rich foreign companies and nonnative Africans who were in power, such as those the Indians in East Africa, Europeans in South Africa, Lebanese, and Syrians in West Africa. Native Africans were excluded from the purchasing line and were pressured to join high competition activities like transportation and farming. This led to the reason why most African businesspeople compete with cheap products, especially from China and other Asian countries; also, they are not involved in the exporting business due to their low technological, administrative and businesses in Africa are potentially operating with no or low growth (Bewayo, 2009).

### 3.4.2 Social/Cultural Factors

It is believed that the main reason why someone should be involved in the family business or any kind of business should be because of being independent and self-achievement. In African, most of them believe that to be successful, especially in doing business, one must be able to provide everything for a living in terms of economic survival, providing for family needs, and making a living which is the main reason for African entrepreneurs going in for business. African entrepreneurs' main concern is to find a way out of poverty or to be able to have necessities instead of trying to find more opportunities by maximizing profit or being independent (Bewayo, 2009).

Social capital is important in an organization as they involve interactions among people both inside and outside the business environment. This relationship can help to build respect and trust among employees for the company’s benefit (Kenton, 2019). It is always a problem in Africa to maintain social capital, especially when it turns to social responsibilities whereby relatives, mainly in extended families, expect business owners to provide jobs to the family members or even pay school fees and help in financial problems. Social responsibilities are the main reason African businesses cannot move from generation to generation, as most business owners will find it difficult to operate in the best interest of the business or even be hiring unqualified family members. African entrepreneurs believe that to be able to make it in the business field; one must relocate his or her business from his hometown as most failures are caused by relatives (Bewayo, 2009). Being a business owner in a polygamous family makes you face difficulties as the business is expected to employ all siblings when they cannot get a job. Also, rivalries among siblings might

exist, especially in the state of responsibility distribution, which can cause the members to distribute business assets when the founder retires or die due to lack of agreement and when this happens, the business will not be transfer to another generation (Bewayo, 2009).

## 3.5 Family Business Models

### 3.5.1 System Theory Model

The U.S system theory model, which implies that "*the family, management, and ownership subsystems overlap but are not conterminous or identical in membership it means that there are family members who aren't involved in the management or operations of the family business, and also that there are family business employees who aren't family members."* (Bewayo, 2009 p.177). The model also implies that some owners are not family members; they just have a share in the family business or properties, which do not exist in Africa as most family businesses are owned control and finance by themselves (Bewayo, 2009).

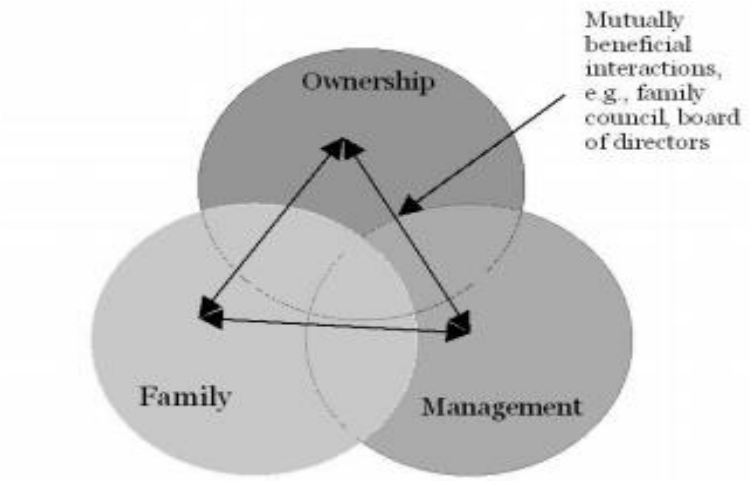



**Figure 2:** The U.S System Theory Model

Source: (Bewayo, 2009, p.172).

### 3.5.2 Family-First Model

This is the type of model that may likely be found in Africa as it implies managing the business according to the family interest, whereas nothing like governance structure or family councils helps when there are conflicts between the family management or ownership. Nepotism is the

mode used in this model, even the financial resources of the business will be used for the personal needs of the family members. This type of model always discourages businesses from growing in the long run. (Bewayo, 2009).

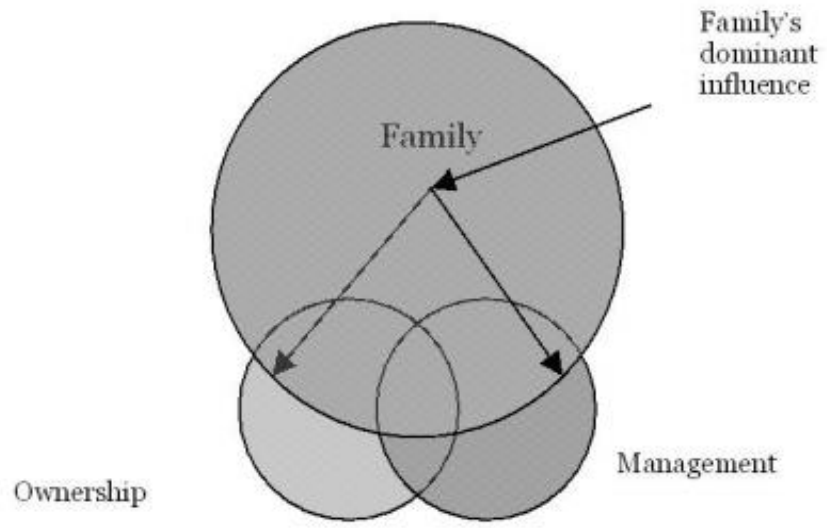



**Figure 3:** Family First Model
Source: (Bewayo, 2009, p.173).

### 3.5.3 The Concentric Model

The concentric model, which is also called the Burgess model, was created by a sociologist called Ernest Burgess in 1925 "*as a method of describing the way that different people come to exist within specific regions"* (the Albert Team, 2020). To relate this model explanation with figure 4, Haddad & Wilson (2015) analyze that the center of the model, which is indicated as the founder to be called the CBD (Central Business District), which has the largest attention, and they are accompanied by the highest property values. The next is indicated as the immediate family members; they surround the CBD in the family business and are given better opportunities in the company, followed by the extended family. The social networks are far from the founder and are given low attention compare to the immediate family members and the extended family. Bewayo (2009) mentioned that this type of model might also likely be found in Africa as it implies that the members of the family business work towards the personal interest of the founder and focused only on the social responsibilities mostly.

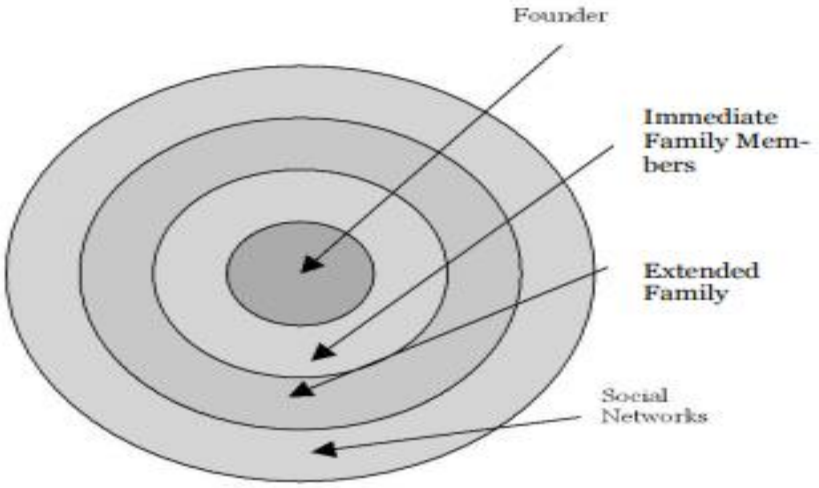



**Figure 4:** The Concentric Model

Source: (Bewayo, 2009, p.178)

### 3.6 The Government Intervention on Educating Family Business Owners in The Gambia

When we talk about the family business, we meant family entrepreneurship and entrepreneurs contribute a lot to a country's economy in terms of employment, growth, and competitive advantages in a country. In the Gambia, they not only serve as a means of creating employment but also contribute to economic diversification and transformation. In the United Nations Conference on Trade and Development (UNCTAD) report 2016, the National Entrepreneurship Policy (NEP), in coordination with a published made from the Investment Policy Review (IPR), they are focusing on how to help the private sector investors on generating education on how to monitor and improve their business and more skills development. The endorsement of the NEP project involves the measurement of the competencies of the business owners, skill practices in both formal and informal education, and helping in innovation and sustainable development. The project also aims to promote awareness and social networking between the public and private sectors in entrepreneurship mindset in society (UNCTAD, 2016).

The purpose of entrepreneurship education is to help build an entrepreneurial culture for The Gambia entrepreneurs. The education will involve development skills for entrepreneurs, how to start up a business, business strategies for development also how to manage and control established companies. Two different skills will be introduced that is the soft skill which involves self-

confidence, determination, and how to develop social networking, and the hard skill, which involves managerial skills, better business planning and strategies, and financial management and control.

The Gambia is targeting five main groups for entrepreneurial skill educational development, which involve the women, low literacy group, rural population, youths, and the disabled that have passion for business (UNCTAD, 2016). These targeted groups were recognized by the Programme for Accelerated Growth, and Employment (PAGE) and the National Tertiary and Higher Education Policy 2014 – 2023 and Programmes developed by the Ministry of Basic and Secondary Education (MoBSE; MoHERST 2013) for better development in the private business sector.

# 4 CHAPTER: RESEARCH METHODOLOGY

The purpose of this study is to understand family businesses in The Gambia under the textile sector. It also aims to analyze their succession process and whether they usually have succession plans. The study also analyzes the experiences needed to help family businesses in the Gambia to expand into many generations.

The qualitative research method was used in this study to interact with people who own family businesses and understand how they go on with transferring the company from founder to successors or whether they have any succession plan. Bhandari (2020) describes qualitative research as a data collecting method that involves non-numerical data to comprehend the concept of someone's experience or opinion, which can be done through interviews, surveys, observation, focus groups, or secondary research. According to Barrett & Twycross (2018), this type of research method "*allows us to better understand the experiences of patients and careers; they allow us to explore how decisions are made and provide us with a detailed insight into how interventions may alter care" (p. 63).*

This chapter focused on providing information on how the data was collected, the target population, sample size, and the sampling technique to achieve this study's goal. It also explains how the interview process was done to be able to come up with the analyses for this study.

## 4.1 Research Design

According to Akhtar (2016), research design serves as an element that explained the planning details for the research project's data collection. Research design has been defined by different social scientists; according to Jahoda, Deutch & Cook cited by Akhtar (2016), "*A research design is the arrangement of conditions for the collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy and procedure" (p.68).*

The first part of the research design for this project was the data collection process, which explains the population and the sample size of the study. The data collection process also analyses how the participants of this project were allocated and how the interview guide was prepared. The second

part analyses how the interview was conducted, from the beginning to the finishing. This part also analyses the method that was used to be able to get information from our participants for the aim of answering our research questions. The final part explained the process of how our data were analyzed and also the process used to examine them. These parts helped us gather findings for this project as needed.




**Figure 5:** Research Design

### 4.2 Data Collection Process

According to Kabir (2016), data collection is the most important stage in a research project, and for it to be successfully completed, there should be proper planning and patient as if it needs time to be completed. Kadir (2016) defines data collection "*as a process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer stated research questions, test hypotheses, and evaluate outcomes*" (p. 202). Data collection aims to gather affordable information that will help answer the research question of the project. Bhattacherjee (2012) mentioned that data collection is classified into two main categories, which are positivist and interpretive. The positivist type of data collection aims at hypotheses testing by using an empirical data model, while the interpretive technique deals with theory building from observed data.

Data collection can either be done using the quantitative method, which involves numerical data and can be mathematically computed, or data can be collected using the qualitative method, which involves non-numerical data and can be done by interview, focus group, observation, etc. Kabir (2016). Data can also be collected in a primary format that is collecting data for the first time or in a secondary format which involves analyzing the database on what was already collected by someone else. This study used primary data in the interview method. Easwaramoorthy and

Zarinpoush (2006) describe an interview as a process of gathering information through conversation, which involves the interviewer (the one who asks questions, and s/he hosts the process) and interviewee (the respondent to those questions). This can be done face-to-face, by phone call, or through internet platforms. Interview as a data collection method is used when there is a need to collect information based on people's experience, opinions, feeling, or what they thought about some issues (Easwaramoorthy and Zarinpoush, 2006).

Interviews have different types which are structured (respondents are given a list of answers to select from), semi-structured (respondents are allowed to answer questions base on their own terms), and unstructured (the interviewer has no interview guide instead s/he focuses on the respondent's topic of interest) (Easwaramoorthy and Zarinpoush, 2006, Kabir, 2016). A semi-structured type of interview was used as it allows to understand the ideas, experience, and perceptions of participants of family business owners in The Gambia in their own point of view, and it is beneficial to this paper. The semi-structured interview was used my many projects under the study of a family business succession plan to gather information need base on people's opinions and experience (Chesley, 2017, Kerzer, 2019)

### 4.2.1 Population and Sampling

Bhandari (2020) describes population "*as the entire group that you want to draw conclusions about"*. The sample size is the specific group that is targeted to collect the data from, and it is always smaller than the population size. Sekaran (2003) also mentioned that "*Population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate" (p.265).* The targeted population for this project paper is the family business owners in The Gambia textile market. Although it will be very hectic to collect data from the entire family business owners in The Gambia textile market, the study focuses on ten (10) family business owners in the urban area, mainly in Serekunda (it is the largest market in The Gambia under the Kanifing Municipal Council) and Banjul (the capital city of The Gambia).

Fossey et al. (2002) mentioned that there is no fixed amount for collecting qualitative data; the essential thing in this type of data is the quality of the information and identifying participants who can give you the information needed, not the quantity. The interview process for each participant

took about an hour; therefore, many participants will be time-consuming to collect the data and analyze them.

### 4.2.2 Allocating Participants

In allocating the participants, probability sampling (each member in the population has an equal chance of been selected) or non-probability sampling (not all members of the population have an equal chance of been selected, selections are based on specific characteristics) is used (Evans & Rooney, 2013). For this study, two (2) types of non-probability sampling methods were snowball and quota sampling. With quota sampling, participants are selected base on a list of characteristics, and snowball sampling, which is also known as chain referral sampling, is a type whereas participant(s) direct the researcher to other people who meet the same characteristics and may potentially participate in the study (Mack et al. 2005). Participants for this research were allocated based on family business owners in the textile market that meet the following characteristics:

- The participant was either the founder or successor of the family business.
- The participant must be working in the textile sector.
- The participant must be able to speak either English language or their native language.

The selection of participants was made with the help of my father, who has been involved in a family business textile firm since 1986. He gave me a list of people involved in family businesses and contacted them through a phone call to see whether they will be willing to participate in this study. They all responded positively; appointments were then created; the interviews were done through zoom for eight (8) participants and the other two (2) through WhatsApp voice notes due to poor internet connection.

### 4.2.3 Preparing Interview Guide

An interview guide can be described as a roadmap that helps for *"maintaining consistency and direction during an interview, and they can range from highly structured interviews to relatively informal conversations"* (indeed career guide, 2021). The interview guide used in this paper helps in gathering the necessary information to answer the research questions. The guide contains the interviewees' profile, company details, family members' involvement in the business, succession plan for the firm and successor's experience, life experiences expected to contribute to a successful

succession, firm challenges, the importance of succession plan in a family firm, etc. After preparing the interview guides, an interview trial was done on one of the participants to see whether there is a need to revise the question or to encourage the respondents to elaborate more on the answers. As the participants were divided into two (2) categories which involve those that passed the first generation and those that are in the first generation, the questions were revised after interviewing those in their second generation. After the trial interview, participants were encouraged to give more details about questions to get the best findings for this study.

## 4.3 Conducting the Interview

The interview was conducted in a semi-structured format. The interviewees were allowed to respond based on their own experience and point of view. An interview guide was prepared to serve as a tool to gather relevant findings for this paper. Out of Ten (10) participants, eight (8) were conducted through zoom in the interviewee's business place, and the remaining two (2) were conducted via WhatsApp voice note due to poor internet connection to communicate through zoom platform. The communication with the participants was done in their choice of language (they all used local languages), and it was later translated into the English language. The interviewees were guaranteed that their identity would be confidential and all the information from them too. The interview process took about an hour for each participant.

### 4.3.1 Recording the Interview

The interviewees were informed that the conversation would be recorded to translate the data into English as all the conversations were made in Wollof (a local language). Although notes were taken, that was not enough as some points were missing, and listening to the interviewee carefully was necessary too to be able to know whether more information is needed or not. With the recording, I was able to listen to each participant interview again, took note of all the necessary information required, and translate the data into the English version. This stage took approximately an hour to be completed.

### 4.3.2 Probing

According to Marken and Kluch (2017), they describe probing is a method used by the interviewer in the interview process to encourage the respondent to elaborate more on the answers needed. The

probing technique helps in getting more information for having an appropriate finding for this paper. Questions such as, can you please describe details about your family business, what are the experience you would like to use and those you would not use in the future, what life experience you believe contribute to successful business succession, how important do you think a succession plan may be to the future of your family business, etc. these types of questions were able to help in gathering more data for this paper.

### 4.3.3 Finishing the Interview

At the end of the interview, I give the participants the floor to talk about anything they think is important to talk about which was not mentioned in the interview process. Important points were highlighted, they were all glad to participate in the study, and most of them mentioned that they hope this study will help in the improvement of family business performances in The Gambia. All participants were then thanked for their time and willingness to participate in this research work as they played an important role in making it successful.

## 4.4 The Analysis Processes

The analysis process is the final stage of research methodology. This study used semi-structured interviews to gather data from 10 participants under the textile market of The Gambia. According to Ginsberg & Sinacore, 2013 cited by West (2019), "*Researchers use data analysis to understand participants' points of view, develop themes, and perception of the phenomenon" (p. 60).* Data analysis helps in making sense out of the data collected. This paper used the coding technique to analyze the data. Medelyan (2020) mentioned that "*Coding is the process of labeling and organizing your qualitative data to identify different themes and the relationships between them".* Coding will help further researchers to know the limitation of a study for their further investigations (cham, 2018).

The coding for this paper started by analyzing the participants' profiles, their business details, and the case presentation of the ten interviewees. The participants' succession details were analyzed, the experiences for a successful family business, the challenges they face in running a family business in The Gambia were also explained. This study also analyzed what participants think why it is important to have a succession plan in the future of family business. A coding system was

used to describe each participant who was presented in tabular form, and a case for each participant was also analyzed.

# 5 CHAPTER: DATA ANALYSIS AND FINDINGS

In this chapter, the results collected in a qualitative method using interviews from the 10 participants will be analyzed. The analyses started by summarizing the participants' profiles, business details, and a short case for each of them.

The results of succession plans and process details collected from the participants will be discussed, followed by the experiences they got in working in a family business and the life experiences they believe will help in a successful succession. The family business holders encounter challenges in running a business in The Gambia, highlighted in this section. At the end of this chapter, the participants mentioned the importance of having a succession plan for the benefit of the family business in the future, which will also be discussed.

## 5.1 Participants' Profiles

In Table 1, the participants' profile was illustrated and drawn from the different age group between 30 years to 60 years. Out of the ten interviewees, only four did conventional education, while the rest went to traditional schools. Five of the interviewees do not have any prior work experience apart from the textile business. One of them was a banker for four years, one did electrical work for five years, one was a cosmetic dealer for ten years or more, and the other two were farmers before involving in the textile business. Apart from *participant MEJ,* who was involved in the family business for a period of 5 years, all the other participants were involved for many years in family firms ranging from 10 years to 39 years.

**Table 1: Participants' Profiles**

| Participants | Role | Age | Education | Prior Work Experience | Years Involved in Family Business |
|---|---|---|---|---|---|
| AJ | Successor | 39 | Middle School | None | 23 |
| KT | Successor | 48 | Traditional Education | Electrician/5years | 24 |
| SOJ | Successor | 34 | High school | None | 14 |
| MEJ | Successor | 32 | University | Bank/4years | 5 |
| OJ | Founder | 56 | Traditional Education | None | 26+ |
| ABJ | Founder | 60 | Traditional Education | Farmer | 39 |
| SD | Founder | 58 | Traditional Education | None | 32 |
| AJ | Founder | 60 | Traditional Education | Cosmetic dealer/10years + | 37 |
| AK | Founder | 30 | High school | None | 10 |
| MJ | Founder | 50 | Traditional Education | Farmer | 35 |

### 5.1.1 Business Details

Table 2 is the summary of the participant's business details. All the family firms where the data was collected are in the textile industry; four of the firms are in their second generation while the other six are in the first generation. The number of employees and the family members working in the business is indicated in the table. All participants mentioned that the events that shape the business to where it is today are Korite (Eid Ul Fitr) and Tobaski (Eid Ul Adha). Four of them mentioned that they involve non-family members in the decisions like purchasing the firm's goods, and the rest do not involve them in any decision regarding the business.

**Table 2: Business Details**

| Participants | Found | Business Generation | Year Pass To 2nd Generation | Number of Employees Including Family Members | Number of Family Members |
|---|---|---|---|---|---|
| AJ | 1996 | Second | 2011 | 8 | 3 |
| KT | 1997 | Second | 2002 | 3 | 3 |
| SOJ | 1981 | Second | 2013 | 6 | 6 |
| MEJ | 1990 | Second | 2018 | 10 | 7 |
| OJ | 1998 | First | - | 6 | 4 |
| ABJ | 1982 | First | - | 4 | 2 |
| SD | 1999 | First | - | 4 | 4 |
| AJ | 1984 | First | - | 4 | 4 |
| AK | 2017 | First | - | 7 | 6 |
| MJ | 2012 | First | - | 2 | 2 |

## 5.2 Case Presentations

In this section, the results obtained from the participants are going to be analyzed starting from the summary of their profile, the story of the family business, and the family's role in the business. The extent to which the younger generation is involved in the business and how it is done will also be discussed here. The evaluation of family business and family association will be analyzed if there are any changes they would like to see in the future of the business, succession details, and whether they think the business can move to the next generation successfully will also be discussed.

### 5.2.1 Case 1

Our first interviewee is AJ is 39 years old and a successor of a textile family business which was found by his mother in the year 1996. He stops at the junior level with no prior work experience,

and he has been involved in a family business for 23 years now. AJ mentioned that the business was started in 1996 founded by his mother as a sole proprietor (small business) selling only wax (a textile material type), and it was only one small shop. He mentioned that he normally passes by after school to help his mother in the shop with his brother. In 2011, his mother decided to pass all the responsibilities to him as the successor, and the transfer of succession decision was made by the founder herself, that is, his mother, with no other family member involved. "*She made the final decision when she decided to migrate to the USA for business purpose in 2011 whilst the experience needed was given to me, she links me with all the suppliers and partners to the business".* He mentioned that the decision was planned and made in an informal discussion with family members. The successor was identified base on experience with no influence of family culture. In 2015, they renovated another shop which is in control by his younger brother, and in 2017, they renovate another shop which is control by his nephew.

AJ's family firm has about eight employees with three family members involve currently. He is now the CEO of the family business and also does all the business transactions. He analyses that the family members play an important role in the business, especially the siblings, as they promote the business in marketing form by wearing the business material and putting it on social media to attract customers. According to him, family members have been doing this for the past years, and they still use the same method to attract customers. In his words, he mentioned that "*the changes I would like to see in the future would be to have more stores in different locations within the Kanifing Municipality Council (KMC) to be able to employ more family members and also promote the business into a company".* According to AJ, their family association is something that helps them in financial difficulties and also promotes most of the women in their family to start a business for themselves. Although, he mentioned that conflict does arise between family members, especially in terms of contribution fees and decision making. He also said that all family members have equal voting right in terms of decision making and most of the time, the conflict is a result of considering decisions from the younger ones instead of old ones.

AJ said, "*for the association to be succession in the future they must be proper recording and control which is the biggest problem at the moment also the business needs proper recording, control, Trust within employees, and members being honest among themselves in order to be*

*successful in future"*. He has a succession plan to be done in the next 15years, and the successor will be identified base on experience and interest in the business. He mentioned that the succession might be communicated official or informal discussion, he did not finalize on that yet, and he does not think any culture will influence his decision. According to AJ, his sons are involved in the business at an early age. They normally pass by the shop every time they close from school to see how things are going, and he normally communicates with them about business transactions. He said, "*this was how my mother did it while I was young, which motivated me a lot in the business sector*". The participant concluded by saying he believes that the business can be transferred not only to the third generation but it can even move to the fourth generation successfully.

### 5.2.2 Case 2

The second participant is KT is 48 years old and a successor of a textile family business that was found by his uncle in 1997. He went to a traditional school with a prior work experience of 5 years being an electrician. KT has been involved in the family business for 24 years now, and he became a successor in the year 2002. According to KT, their business was founded by his uncle in partnership with one of his friends. They started it by opening one shop and bought a truck for the transportation business. They bought another truck in 1999; unfortunately, the second truck had some issues, and they have to spend a lot of money on maintenance which was not helping at all; then, they sell the trucks and concentrate only on the textile business. In KT's own words, *"he called me to work with him when he started the business as all his children were so young and could not be able to help".* KT told us that the business was so strong with lots of sales between 1997 to 2007, and customers were not only from the Gambia but also coming from countries like Senegal, Mauritania, Guinea, and even the Ivory coast before they start experiencing slowness. KT mentioned that around 2008, the Gambia business sector started going slow as the government started closing the border every single time. The founder made the decision to transfer all the business responsibilities to me in 2002, and he went to stay in America. KT mentioned that "*our first business trip was in 2000 by the founder and I also went for another business trip in 2003, 2004 and the last trip was in 2007. This was our last business trip before we started experiencing slowness in the business since then, all that we do is taking supplies from the wholesale shop in country".* The interviewee mentioned that business was going smooth in the beginning to the point that they renovated another shop in 2006 in the Capital city of the Gambia Banjul, and it was

controlled by his brother, but it was closed in 2019 due to high tax and high rental which was not favorable to the business.

Currently, their business has three employees, and they are all family members. He mentioned that the business has two important events, which are Korite (Eid Ul Fitr) and Tobaski (Eid Ul Adha), which shape the business to where it is today. According to KT, the family does not play any role in the business apart from being the main customers and bringing most of their mates to purchase from us, and it has been like this since the beginning. From his own words, the analyses that "*the changes I see in the future if there is improvement in the business with more capital, I would like to invest in another business apart from textile and expand the textile business am doing at the moment to employ more people from the family".* The participant mentioned that they do not have any family association that can be evaluated with their family business. He elaborated that business is so powerful, and it helps a lot in a country's economy; therefore, the government needs to step in and help them. They need to help in reducing tax, have price control, and control the rental payment. If there is help in these areas, there will be more investment in a different type of businesses with the high rate of youth's employment in the future, but if things continue as to how it is today, he said he do not think there will be any form of successful succession in the future.

KT mentioned that he does not have any succession plan yet because of the slowness in the business and no season for the textile business in The Gambia. Maybe in the next ten years, he thinks he will be able to finalize whether the family business textile will continue, or we will invest in another family business. He added that if succession is possible in 10 years, he will observe the upcoming generation, know their area of interest, and invest in that for them and not only textile. He mentioned that the business does not look healthy at the moment that is why none of the younger generations is yet to be involved. He concluded by saying, "*if there are changes in the current situation, then there will be successful succession, but if the business continues like this on my site, then there will be difficulties in the future as it is getting hectic every year".*

### 5.2.3 Case 3

Our third participant was SOJ, a 34-year-old man and a successor to their family business. He stops at senior level with no prior work experience, he has been involved in a family business for

a period of 14years now, and he became successor in the year 2013. According to SOJ, their family business was founded in 1981 by his father in partnership with his three brothers until in the late 1990s when they separated, and each of his brothers went for their own business. He also mentioned that their family business is among the first to start a textile business in The Gambia. In his own word, he said that "*it started as a small canteen and my father even told me that there was a time, he used to sleep over to look after the canteen. Then after some period still in the 1980s, he started going to Dakar (capital city of Senegal) to get some goods for the canteen from a company called Sotiba (they specialize in Wax), and the payment was made in the installment".* SOJ told us that the company Sotiba helps their business a lot in the beginning because whenever his father went to purchase some goods, he will give them D25,000, which is about $487, and they will give him goods worth D50,000 which is about $974. He got a contact from Sotiba to a company in Switzerland that deals with "Borede", their CEO was Rawuf at that time, and they also help a lot in forming their family business. According to SOJ, his father started going for business trips in 1989, and their business was among the main wholesale supply in the country. He started a regular job with the family business in late 2007 when he completed his senior school level. He mentioned that he was 100% focus on the business after completion of senior school, he went on a business trip to Dubai in 2009, and he was appointed as the CEO of the family business in 2013 by the founder. Currently, they have operated two different shops, one in the capital city (Banjul) and the other one in Serekunda.

According to SOJ, they currently have six employees who excluded him, and they are all family members except one. He also mentioned that Korite (Eid Ul Fitr) and Tobaski (Eid Ul Adha) are the two important events to the family business. According to SOJ, the family plays a very important role by joining hands together and helping the business whenever their help is needed. Although he mentioned that the help was better the time it was joined business than now as it is separated within the brother since in the late 1990s, they are all working in their own branches. He mentioned that they have a family association which was created about 5years back around 2015. The association helps a lot, especially in terms of family events and also in family togetherness but to evaluate it with the business, they do not have any link. The family association is a completely separate body from the business. He analyzed that the difficulties they normally face are agreement, especially in terms of money issues and correct recordings. He mentioned that it's

always difficult to agree on a contribution fee as some people might say they cannot afford it or it is not favorable, and in terms of decision making, although every member has a voting right, the elders have the final say. No matter how the decision is, if they say no to it then it will not happen. SOJ mentioned that for the association to progress in the future, there should be transparency, communication an also correct recording. He also mentioned that as far as most family members are involved in a textile market, then the association can help the business by organizing family gatherings at least every month or every two months to visit a family member. In visiting that family member, they can purchase clothes from his or her shop as a uniform to promote his or her business.

According to SOJ, the younger generation is involved at an early age if they have an interest in the business. It is done by showing them what to do, how to manage and control the textile materials in the shop, and also observing how they are handling the work, especially on the customer site. According to SOJ, this is how his father was doing it to help him be able to control when he is not around, and the outcome always satisfied his father. SOJ mentioned in his words that "*the future progress of the textile business in the Gambia will be successful if the government helps a lot in reducing the tax and control the price".* He also mentioned that the changes he would like to see in the future are for family members working in the business to be having their own salary. According to him, no payroll data is created for the family members, which is not a good thing, and that needs to change. SOJ also mentioned that, as their family business has been among the first to start the textile business in The Gambia and the founders brought it to this level today, he believes that the current and the next generation needs to work hard to at least start a company in the Gambia and be exporting instead of importing. He said that he is working on that to be able to develop that in the future. According to SOJ, they do not have any succession plan at the moment, maybe in the next 10years, because he did not achieve what he wants in the business yet as he wants to take the business to another level beyond where it is today. He concluded by saying he is certain that with how it is going now, he believes that the business can pass to more generations in the future.

### 5.2.4 Case 4

The fourth interviewee was MEJ, a 32-year-old lady and a successor to their family business. MEJ is a certificate level graduate, and she had been working in the banking sector as a cashier for 4years before permanently concentrating in the business. MEJ said from her own words, *"My father started the business in 1984 but in partnership with his three brothers. They were working together, sharing profit and the business was control by his elder brother. In the late 1990s, he decided to start his own family firm, whereas he was the CEO. He started with a small shop in the Serekunda market dealing with textile; he was taking supplies from the suppliers his brother was dealing with, and the payment was made in installments. After some period, he started going to Dubai for business trips and also started involving us in the business. When I completed high school and was doing my tertiary level, that was the time I started going to the shop and start learning about our family firm work. In 2014, I started a banking job and worked there for 4years then, my father calls me to resign and work in the family business as he was getting old, and he needs to hand it over to us the children. I came back to the family firm at the beginning of 2018, and that was the year I was appointed as the CEO by my father. I went for my first business trip for the business at the beginning of 2019 in Dubai. As a textile business is all about fashion, and as a lady, I love fashion a lot. I was able to get beautiful stuff, and it was a successful trip".* She added that although she is now the CEO of the family business, her father did not retire yet he is still working with them as an advisor. They have two shops all in Serekunda market, the bigger one is controlled and managed by her father and her younger sister, who also love the business, and she is the one controlling the other shop and also the business transactions. According to MEJ, when the business was fully under the hands of her father, it was not as control as it is today, and he was not controlling the expenses. She mentioned that at the time her father was the CEO, he was making lots of expenditures and was not controlling the business costs wisely. She also mentioned that everything is in control and the management is going smoothly.

MEJ mentioned that they currently have ten employees, whereas seven of them are family members and the best moment for their business is holiday periods: Korite (Eid Ul Fitr) and Tobaski (Eid Ul Adha). She analyzed that the family plays an important role in the business as they are the main customers of the business, but some of them do take advantage of being part of the family and do not consider the differences between the family and the business. According to

MEJ, some family members will be begging you to give them some things for free just because they are related to the founder, and if you refuse to do so, they will term you as a bad person in society. She added that it was even worst when her father was in control. They are trying to control it now as they ignore just people that act like and because it does affect the business badly. According to MEJ, they have a family association, but it has nothing to do with the business. It is a separate different body from the business, and its aim is to bring togetherness within the family members. The difficulties it does create are mostly misunderstanding within members, mostly in money issues. In terms of decision making, all members do contribute, and the execution will analyze it and come up with the final one. She added that changes would be needed in the future to be more organize and keep all recordings correctly to avoid conflicts.

MEJ mentioned that the younger ones are involved mostly after completing high school. She added that the young ones are updated about the business always, they are told the reality of what they should expect in the business, they communicate with them always, and they are given the opportunity to learn. She also mentioned that she was not able to get the experience to learn as she is doing for the young ones now because she was more in the banking field. According to MEJ, his father normally invites his friends into the shop and not considering that it's a business center. She said she would not want such an act to continue in the future. She also mentioned that she would like them to start a wholesale business, and also, she would want the business to have more control in the future. She added that She has succession plan for the business to be applied in the next 10years as succession plan will encourage the young ones to love the business as they will be involved at an early age also to avoid conflict. And she added that said she is planning for the communication to be done in a formal way. She mentioned in her words that *"the government is not helping in any aspect instead they keep increasing the taxes, they are not controlling the prices and poor sales in the country due to the poverty rate in the Gambia".* MEJ concluded by saying she believes the business will pass to the next generation successfully if they are controlling the business and working in the interest of the business as well, even with the challenges they face.

### 5.2.5 Case 5

Our fifth participant was OJ a 56-year-old man, and he did traditional schooling. He has been involved in a family business for more than 26 years, and he worked for his elder brother for a

while before starting his own business. He is the founder of his business which was started in 1998. OJ explained to us how his business started as he said in his own words, "*Before starting my business, I was working under the control of my brother to learn about how to control a textile business. All day-to-day activities of the business were under my control, I can even say that I was his right hand, and he never wanted to lose me at that time. In 1998, I decided to start my own business with the experience I got from the hands of my brother, everything went smoothly with no difficulties. I was in the textile sector in partnership with a friend who lost his business in a fire accident, and I was the boss. We were working together, and a few years later, he was able to start his own business again. What helps me most in the purchase of goods for my business was that I started going for business trips before starting my own business. My first business trip was in 1995 to England, in 1997 I went to Switzerland, which is my favorite place for business. At the beginning of the 2000s, I started going to Dubai and Hongkong for the purchase of goods. The business is going fine even though we face some challenges, but it is always a pleasure doing what you like doing and am operating a big shop in Serekunda market also doing my own business purchasing".* Currently, he has six employees, whereas four of them are family members.

According to OJ, the most important events in the textile business is Eids festival, which is Korite"(Eid Ul Fitr), and "Tobaski"(Eid Ul Adha), although Koriteh is the best one. According to him, the issue of people selling the textile materials outside the shop with no control of pricing and those selling outside are not paying anything like tax or shop rental. That is the main issue that needs to be eliminated to help the businesspeople in The Gambia textile business. He added that the textile business in the Gambia was favorable before than now, with lots of sales with or without events. Also, there were not lots of competitors as they are in the market today, and it was even worst last year because of the pandemic, although we are praying for better this year. OJ mentioned that only his sons play a role in the business in the family as they work with him and trying to move the business forward. He added that this started in 10years back after they completed their education and decided to help him in the family business. OJ said that they do not have a family association that has anything to do with their family business.

According to OJ, the younger ones are involved in the business after completing their education which is about 10years now. He trained them on how to control the business and even giving them

the chance of going for business trips. He added that the elder one even went to Dubai three times for business trips, and he got beautiful stuff. OJ said from his words, "*I have a succession plan. I am planning to transfer everything to my elder son in 1 year or even less. My plans are to do the communication formally in a written document and also discussion within the family members involve in the business".* He believes that everything will go smoothly with no cultural influence, and he added that his successor would be identified base on experience as it is everything that is needed to run the business perfectly. According to OJ, he would like to have some changes in the management of the business. He added that although it is going fine, he would like to have a conversation with his upcoming team to come up with an idea of managing the business in its best way, especially in the purchasing of goods. OJ concluded by saying he sees the business moving from generation to generation as his sons are willing to work, and they are putting targets on the table that they would like to achieve in the future to keep the family legacy.

### 5.2.6 Case 6

ABJ was our sixth participant. He is 60 years old; he did traditional education, and he was a farmer before starting his own family business. ABJ has been involved in a family business since 1982, which is 39 years now. According to ABJ, his business was founded in 1982 as a sole proprietor business with a small canteen dealing in textile materials. He was dealing with only retail business while taking supplies from wholesale dealers in the country, and his first shop was in Serekunda market. According to ABJ, the journey was never easy as he never works in business before starting his own business, but with the passion and respect he has for the business, he survives it. He said he is now dealing with two shops and a store for wholesale supplies too. ABJ mentioned that he went for his first business trip to Dubai in 2002, the expenses were too high and challenging on his site as it was his first time, but now, he is used to it and goes for business trips almost every year. ABJ mentioned that the business has in his control since day one. He said it was not easy in the beginning as he faces many challenges like capital and management team but compares to now, the business was favorable before. According to ABJ, the currency rate was good in the 1990s with favorable primary need prices, which was also helping them to make more profit than now. According to ABJ, nothing is easy in this life, but with the belief that he can do it no matter what, he was able to handle the business as it was challenging in the beginning, and it is going smooth now as everything is being managed perfectly.

According to ABJ, the most important events in the textile business are the Eids festival, which is Korite" (Eid Ul Fitr), and "Tobaski"(Eid Ul Adha), the period they make lots of sales. ABJ mentioned that the main issue they face in the business is the bad currency rate which keeps on getting high every day, and as Gambia has more poverty rate in the population, they find it difficult to price as most people do not purchase when the price is high. Currently, he has four employees, whereas two of them, including him, are family members. According to ABJ, family's play an important role in the business. He gave us an example that "*he always feels relief to go anywhere as far as his son is in the shop and he always steps in as expected".* He said his son started the business in 2010, and responsibilities were given to him immediately. ABJ mentioned that they have a family association, but it has no link with the family business as it is a separate body, and its purpose is to help in family gatherings. He told us that no difficulties are being created because there is no specific contribution amount. All contributions are based on what each member of the family can contribute. According to him, no family factor affects the decision making as all members have equal voting right in the association, and the elders have the final say.

ABJ mentioned that his son was involved in the business after completing Quranic school 10years back. He trained him, teach him how to deal with customers, and he always communicates with him about business. He added that his son can now control the business even in his absence. According to ABJ, if the government can help them in tax reduction, there will be many changes in the future as they will be able to employ more people, have more business locations and even have a textile company in the country. He added that although he does not have any succession plan yet, he believes that the business will move to the next generation successfully.

### 5.2.7 Case 7

Our seventh participant was SD, a 58year old man who did traditional education and has been involved in the family business for a period of 32 years now. He mentioned that, although he started working in the textile business in 1989 after completing my secondary level under the control of his cousin, he can say that he started being fully responsible and managing a business in 1989. This is because he was controlling one of his cousin's shops, and auditing was done every three months. After 10years of experience, he started his own shop, which was registered under

his name. He mentioned that his cousin was his main supplier, he supplied him in starting the business, and he helps in shaping his family business to where it is today. He was his main supplier from 1999 to 2000, then in 2001, he started purchasing on his own from Senegal, and he went for his first business trip to Dubai in 2002. SD said his words that "*the business was growing to the extent that I have about three shops around 2004, and I was working with four of my siblings, one nephew, and two non-family members. The slowness of my business started around 2010, and the cause of it is due to lack of proper control and records, now it is only one shop".*

According to SD, the business is very slow now, but they normally make beautiful sales during eids festival which are Korite"(Eid Ul Fitr), and "Tobaski"(Eid Ul Adha) although the issue of rental is not favorable, which is the main thing disturbing them in the market. He mentioned that he is currently working with three family members in the business. According to SD, although the family members were not controlling the business as they should when it just started, they were also playing an important role as they help in the day-to-day activities in the business. He mentioned that "*Currently, my son is playing an important role, and almost all the business responsibilities are under his hands. Also, family members that deal with wholesale do help the business as they normally give goods on credit to support the business. He added that although most family members leave the business and went for something else when the business started experiencing its slowness in the market that is 10years back but with the help of my son, the business is now experiencing better.* SD mentioned that they do not have any family association in their family, which can be evaluated with the family business.

SD mentioned from his words that "*the younger generation, particularly my son who is currently controlling most of the business activities was involved in the business two years ago after completing his junior level. I have shown him almost everything about the business now he is the one who normally purchases the goods for the business and controlling all the business activities".* He added that his main aim now is to pass everything to the next generation, and that can be any moment from now. The only thing triggering his is the issue of his younger brother, who is currently working under him. He said he wants to find something for him to work for himself so that he can communicate with his family and pass it to the next generation. According to SD, a lot of changes are needed in the business, which involves reforming the management again, have a

strategy for proper control and recordings, also encouraging the upcoming generation to put their hands together and built a good team for the interest of the business. He concluded by saying if the upcoming generation is working towards the interest of the business, it can move to different generations successfully.

### 5.2.8 Case 8

Our eighth participant was AJ, a 60-year-old man who did traditional education and was a cosmetic dealer for more than 10years before starting a textile business. AJ has been involved in a family business for about 37years now as he started with selling shoes from there to a cosmetic business, and now, he is dealing with the textile business. According to AJ, he started the business in 1984, which is 37 years old now. He started his family business by selling shoes, and later in 1989, he started a cosmetic business and went for his first business trip to America in 1994, and he was going for business trips for almost every 3months. He mentioned that the cosmetic was growing to the extent that he was dealing in both wholesale (supplying most of the supermarkets in the Gambia) and retail. Around 2004, he entered the textile business because the Dollar rate was not favorable in the cosmetic site, and the business was slow. He added that the textile business was going slow in the beginning to the extent that he was not able to go for his business trips anymore. He normally takes suppliers from the wholesale suppliers in the country and sometimes buys goods from Banjul for his shop. He mentioned that the business is getting better now, and it looks motivational on his site. According to AJ, he is getting old now, which is why most of the business activities are run by his elder daughter, and she is the one who normally does the purchasing from Senegal too.

AJ also mentioned that they normally make lots of sales in Korite"(Eid Ul Fitr) and "Tobaski"(Eid Ul Adha) as most people normally buy new clothes in this period. He also mentioned that the issue of taking goods from wholesale suppliers in the country on credit does help a lot because you will pay exactly what is on credit instead of a loan from the bank as banks normally give them a high interest rate for loans. Currently, he has four employees, and all three are family members only one is a non-family member. AJ mentioned that family members play an important role in the business as his children are the ones controlling the business now, and they are working as expected. He added that this started when his daughter completed high school in 2006 and started

helping him in the business. According to him, this is the time the business start growing, and she helps a lot in shaping the business to where it is today. AJ mentioned that they have a family association, but it has no link with the family business. It is a separate body.

AJ said from his words, "*the younger generation are always involved in the business even before the completion of their high school. They normally pass by the shop and help whenever needed. He said two of his sons completed high school two years ago, and they are now working full time in the business. He also mentioned that his daughter is in the business for 15 years now, and she is even controlling everything and doing the business goods purchasing."* He said although he does not have any succession plan at the moment but needed are needed in future succession for the business to be successful. The changes involved are for the upcoming generation to learn more about how to approach and deal with the customer as it is the most important thing in the textile business also to have different locations and expansion in the textile sector. He added that he believes the business will be successful in more generations as the younger generation is ready to work for the interest of the business.

### 5.2.9 Case 9

AK was our ninth participant. He is 30 years old, stopped at senior school level, and all his work experience is under the textile market sector. He has been involved in a family business for ten years now. He started working in a family textile business after completing his senior level at the age of 20. He worked under the control of his uncle for six years before starting his own business. In 2017, he then decided the run his own business. He mentioned that the starting of the business was never easy as he was given an empty shop to start with, and he did not have enough capital. His father was once a businessman and have a link in the market, he helps him got a shop, and the uncle he was working with supplied him with some goods to start with. He added that his brother was by his side to support and they were taking supplies from the country for the first year. The business was then going as expected, and he was able to go for his own business trip to Dubai in 2019 and 2020 before the pandemic. He started operating another shop, and he is able to employ people to work with him. According to AK, the business is going fine, and he is expecting more in the future as everything is going under a good management team. AJ mentioned that the only events that help the business to where it is today are Korite" (Eid Ul Fitr) and "Tobaski"(Eid Ul

Adha). He also mentioned that the issue of him going for his own business trip to Dubai and Dakar is what is shaping the business to where it is today, as he does sell both retail and wholesale.

Currently, he has about seven employees, and they all work full-time. He added that the family members that work under his business are five in number and six, including him. He mentioned that family members play an important role in the business as they help to bring it where it is today. He mentioned that his father inspires him to start the business; although it was not easy in the beginning, with the help of his brothers, they are able to survive it to where it is today. According to AK, the help from the family since in the beginning and they still doing the same is the reason for the survival of the business. AJ mentioned that they do not have any family association which can be evaluated with the business; although he is planning to create one in their family, it will be a separate body with the business.

According to AK, his brother that he started the business with was in the business since the beginning, and his other brothers were involved after completing their high school. He added that they are all working together for the benefit of the business, and as he has more experience in the business, he normally communicates with them and always gives them the chance to learn more about how to control a business. He mentioned that although he does not have any succession plan yet as the business started not long ago, maybe the planning will be in 25 years' time. He mentioned that the changes he would like to see in the future are to take the business to a level where they will have more expansion with more locations. He added that this could be done if there is help in reducing the rental payment because it is the main challenge that makes most people in the business discourage. If this is being controlled, then they can even operate in many locations. He concluded by saying he believes that the business can move to many generations, not only second.

### 5.2.10 Case 10

Our final interviewee was MJ, a 50-year-old man, and he was a farmer after completing his traditional education until 1986 when I decided to enter the business market. MJ has been involved in a family business for 35 years now, from 1986 to date. He mentioned that their family business is 35years old, as if it was started in partnership with his brother. He mentioned that his own business is 9years now, the partnership with his brother ended in 2012. Their family business was

started in 1986, they started it by selling shoes and kid clothes. Then 8years later, they invest in the cosmetic business, and they were involved in cosmetics for more than 10years. According to MJ, they stopped the cosmetic because of the high price from America as it was their main place of doing business an also, some products were entering the market from the ivory coast at a lower price, but it was not up to their satisfaction for them to purchase. Due to the difficulties faced in the slowness of sales, they decided to move to the textile sector around 2005. It was a partnership business, his brother was the boss, and he was responsible for the purchasing of goods from Dubai. MJ mentioned that it was not easy on their site because they were not having the capital needed. Later, their business was going as expected until 2007 when the market had a fire accident, and their shop was involved. MJ said from his words, "*it was very challenging on our site as we had a loan from the bank with a high-interest rate, but later we spoke with the bank regarding our situation, and they were able to help am remove the interest from our loan. After settling all our loans and starting our strong business again, I then decided to go for my own in 2012 as I was also having my own family. I discuss with my brother that the best we could do is to end the partnership which will be more favorable, and he agreed. This was the time I start my own shop with my sons".*

MJ mentioned that currently, he has two employees; one is a family member, and the other one is not a family member. He added that Korite"(Eid Ul Fitr) and "Tobaski"(Eid Ul Adha) are the events that help the business to where it is today. He also mentioned that if the issue of the rental were a bit favorable, then they would have more savings for more business locations or even employ more people. MJ mentioned that family members play an important role in family businesses; he gave us an example in his case "*he said his brother helped him in the site of the business and brought it to where it is today. Although in the site of his sons, the elder two do not want to involve in a family business, and they are not even working with him".* He added that although his partnership with his brother ends but they still join hands together and help whenever needed. MJ mentioned that they do not have any family association which has a link to their family business.

MJ mentioned that he does involve his sons in the business after completing their high school. Although only one is working with him currently, but still the other two can handle a textile business as they are well trained. He said he normally communicates with them on how to deal

with customers and how to manage a business. According to MJ, he does not have any succession plan yet because his sons that would have to be the best successors are not willing to be, and the one he is working with is young and cannot control a business yet. He mentioned that maybe in the next ten years, he would make that decision. Although there is no plan for succession yet, he would like to see changes in the future that involve his sons to be willing to work with him to expand their family business to many generations as there is no place to work better than your own family business. Also, he would like to see more expand to a level that his sons will not have time for any other business apart from his. He added that if his sons are able to help him in the business, he believes that it can move to many generations in the future.

### 5.3 The Firms in Second Generation Succession Process Details

As illustrated in Table 3, the details of the succession process such as the year they pass to the second generation, whether the succession was planned, who made the decision, how was it made, how was the successor identified, and whether there was any culture that influences the decision will be discussed. Out of the ten participants, four of them are in their second generation and the other six in their first generation. The results showed that all the succession decision was made in an informal way of discussion and none of them was done formally. Only the firms that passed the first generation are listed in the table below.

**Table 3: The Firms in Second Generation Succession Process Details**

| Participants | Was the Succession Planned or Accelerated By An Event? | Decision Taker | Decision Making Process | Selection Criteria |
|---|---|---|---|---|
| AJ | It was planned | His mother (the founder) | Informal discussions with family members | Experience |
| KT | It was not planned. The transfer was made when the founder decided to leave the Gambia market and migrate to America for business purposes. | The founders | Informal discussion within family members | Experience, interest, and abilities |
| SOJ | It was planned | His father (the founder) | Informal discussion with family members | Experience, skills, Being responsible, relationship with customers |
| MEJ | It was not planned. Due to the health problems of the founder. | Her father (the founder) | Informal discussion with family members | Experience, skills, and interest |

### 5.3.1 Satisfaction with the Succession Experience

Table 4 analyzes the successors' experience whether they are satisfied with their experience or not. Three of them analyze how their experience helps them as a successor, and one mentioned that she is not satisfied with her experience and she still needs more.

**Table 4: Satisfaction with the Succession Experience**

| Participants | Are You Satisfied with Your Succession Experience? | How So? |
|---|---|---|
| AJ | Yes | It motivated me to be more responsible, traveling around the world and meeting different people from different cultures. |
| KT | Yes | It helps me to be able to control the business even in the absence of the founder; also, it helps me know the business market a lot. |
| SOJ | Yes | My experience helps me a lot to be able to control and manage our family members to their best level. |
| MEJ | Not as I want it | I still need more because I did not spend much time in the business field yet, and I still need guidance from my father |

## 5.4 The Firm's Succession Plan for the Next Generation

In Table 5, interviewees were asked about their succession plan if they have any. It was noticed that six of the firms out of ten do not have a succession plan for their family business. Out of the four that have a succession plan, only two of them plan to transfer responsibilities to the next generation in a year or less, and the other two are planning it in the next 10 years to 15 years. How they will identify their successor and how they plan to make the decision will also be discussed.

## Table 5: The Firm's Succession Plan for the Next Generation

| Participants | Timing | If No, Is There Any Trigger and When S/He Thinks to Make the Decision. | How the Successor Will Be Identified | How the Decision Will Be Made |
|---|---|---|---|---|
| AJ | Next 15 years | - | I will identify it based on experience and the successor's interest in business | It may be an official or informal discussion; I did not finalize that yet. |
| KT | - | Because of the slowness in the business and no season for the textile business in The Gambia. Maybe in the next ten years, I think I will be able to finalize whether the family business textile will continue, or we will invest in another family business | My plans for the next succession are to observe the upcoming generation, know their area of interest and invest in that for them. | Documented |
| SOJ | | He did not achieve what he wants in the business yet as he wants to take the business to another level beyond where it is today. | | |
| MEJ | Next ten years | - | Based on experience and ready to work in the interest of the business. | Planning the communication to be done in a formal way. |
| OJ | In 1 year or less | - | Planning to transfer everything to my elder son. Based on experience as it is everything that is needed to run the business perfectly. | I will make my decision both formal and in a family meeting to have witnesses |
| ABJ | | I will make the plan if I know that I cannot control it anymore, but at the moment, I do not have any succession plan. | It will be based on experience, and that will be my son as he has the experience to control the business | The decision will be documented |
| SD | Any moment from now | | I already identified my successor, and it is not based on eldest as he is my 3rd child but its based on his experience and love he has for the textile business | I want everything to be documented and also discussed with family members that are involved in the business |
| AJ | No | My elder child is a daughter, and I cannot pass it to her now as the African culture believes that all daughters should be under the control of their husband that is why I am training my son to be the successor. | I will identify my successor based on experience and be a son. | I will make sure everything is documented as is the best for now and witnesses from the family members |
| AK | | He does not have any succession plan yet as the business started not long ago, but he would like to make that plan maybe in 25 years. | It will be identified base on experience and discipline as they are the most important thing to control a business | I will make that decision formal |
| MJ | | The reason is my sons that would have to be the best successors are not willing to be, and the one working with me is young and cannot control a business yet. | My successor will be identified base on experience and willingness to work in the interest of the business | the decision will be made in a formal way |

## 5.5 Business Challenges

Interviewees were asked about the challenges they face in their businesses especially in handling family business. The challenges mentioned were a high rental, high tax rate, a small population with high poverty rate, bad currency rate, lack of price and market control, covid-19 pandemic, lots of request from family members, familism, wholesale suppliers selling with low prices, high electricity bills, textile materials go out fashion within a short period, lack of trustworthy employees and online ordering. Table 6 illustrated the challenges of the participants.

**Table 6: Business Challenges**

| **Challenges** | **Number of Participants that Mention this Challenge** |
|---|---|
| High rent | 9 |
| High tax rate | 10 |
| High electricity bills | 1 |
| Small population with high poverty rate | 3 |
| Alarming currency rate | 2 |
| Lack of price and market control | 4 |
| Covid-19 pandemic | 1 |
| Lots of request from family members and familism | 5 |
| Wholesale suppliers selling with low prices as retail | 2 |
| Textile materials go out fashion within a short period | 1 |
| Lack of trustworthy employees | 1 |
| Online ordering | 1 |

## 5.6 Life Experiences That Will Contribute to Successful Business Succession

In Table 7, responses from participants regarding the life experience that will contribute to a successful business succession will be analyzed. Most of them indicate that it is important to be educated, have experience, discipline, respect, being honest, have patient, and good communication skills as they deal with customers directly. Also, participants analyzed that it is important to have good management skills, willing to learn, have business strategies, vision, encouragement from both family members and the government. *Participant M E J* also mentioned that in dealing with the textile business, it is important to know fashion.

**Table 7: Life Experiences That Will Contribute to Successful Business Succession**

| Participants | Life Experience |
|---|---|
| AJ | Education, have passion for the business,<br>know how to deal with customers,<br>transparent communication<br>And the successor should be curious to learn new strategies always |
| KT | Encouragement in the business site from both family members and the government,<br>Also, if there are more sales with a favorable economy, then there will be successful business successions. |
| SOJ | The successor must learn how to manage and control the business,<br>have experience,<br>have patience in how to deal with customers as you will meet different people with different attitudes,<br>Also have good communication skills. |
| MEJ | Discipline (she said this is the most important one because of the interaction of different people in the business market),<br>being honest, have experience, good management skills, and also love fashion |
| OJ | being honest, trustworthy, have discipline and willing to learn |
| ABJ | Honesty: he mentioned that without honesty, nothing could be successful no matter the amount of experience someone has. |
| SD | trustworthy, responsible, have good customer service behavior and know your spending priorities |
| AJ | have good customer service behavior, have experience, being honest and ready to work hard. |
| AK | Business plans, have experience, discipline, patient, being honest, have mission and vision in whatever you are doing. |
| MJ | respect, be honest, have patient, know how to communicate with customers, and manage a business. |

## 5.7 Experiences to Use in Future Succession and the Ones to Avoid

We found out that there are some experiences that family business holders would like to use for future succession and the ones they would not use. Participant A.J. mentioned that he would not use any current experience for future succession because of lack of control and records at the moment, he added that this would not be used in future succession. K.T. mentioned that he would like to have a succession plan so that the upcoming generation can know their responsibilities. Another participant, S.O.J., said that they would like to continue with the current management style because everything is under control, but he would not want to continue working with family business without no monthly salary. O.J. mentioned that the experience of being honest in whatever someone is doing would be encouraged in future succession. According to A.B.J., the experience of taking records will always be considered, but the experience of going for something you do not have experience with will not be used in the future. S.D. mentioned that being honest and have a good relationship with the customer will forever be used in the future but employing based on familism and working with no proper control would not be used in future succession. A.J. also mentioned that having a good relationship with the customers is essential, but the experience of not giving responsibilities to the upcoming generation on time would not be used. According to A.K., having a business vision will be included in the future, and unnecessary spending will not be tolerated. Participant M.J. mentioned that the experience of being vigilant would be encouraged in future succession. *This participant gave us a scenario where he was somehow busy attending a customer, and another customer came in asking for prices for some stuff, after charges him, he said the customer just remove money from his pocket, and he was ready to pay with no interaction regarding the price as customers always do. Then at that point, he suspected something; when he took the money from the customer, he realizes that it was a fake currency. He said luckily the stuff was not given to him, and unfortunately, he was not able to report the matter to the police because the person ran away*. M.J added that Online ordering would not be encourage in future succession as most of the stuff that may be delivered to you may not be what was requested for. He said he would prefer to go for his own business trips or buy from those selling wholesale in the country.

## 5.8 The Importance of Succession Plan in Family Business's Future

Table 8 illustrated the importance of a succession plan in the future of family business that was mentioned by the participants.

**Table 8: The Importance of a Succession Plan in Family Business's Future**

| Participants | Importance of Succession Plan |
|---|---|
| AJ | It will help avoid misunderstanding or conflict within the family, It will also help the business to expand from generation to generation to keep the family legacy in the long run |
| KT | It will help the business to grow to many generations in its best way. |
| SOJ | will help a lot to maintain the business in more generation,<br>It will also help the next generation to be responsible in the family business as they will know their roles when their time to control arrive |
| MEJ | the advantages of a succession plan are that it will encourage the young ones to love the business as they will be involved at an early age, also, to avoid conflict |
| OJ | Succession plan is very important in every business as it will help in the interest of the business because every generation will be willing to do better than the outgoing generation |
| ABJ | It is important as it will help the business transfer to a different generation, and it will help eliminate conflict within family members, especially siblings. |
| SD | Succession plan can make us retire on time and with the education and resources of the current generation, they are the ones who can move the business forward better than us that are in their 60s or close to that |
| AJ | succession plan will help the business move to many generations, and it will help avoid conflict within the family |
| AK | The most important thing about succession planning is that it will help avoid conflict within the family, and it will help the business to move from generation to generation. |
| MJ | Succession plan plays in the future is it helps avoid conflict, and the business will move to many generations. |

# 6 CHAPTER: CONCLUSION, RECOMMENDATIONS AND LIMITATIONS

In this chapter, the conclusion of the study will be presented base on the findings collected from our participants. Recommendations will be provided for future researchers to do more study on this area and also for government for the benefit of the family business owners and the economy as well. The limitation of this study will also be presented in this chapter.

## 6.1 Conclusion

The family business is the most critical contributor to wealth creation and employment, which plays a vital role in most countries' economic development (Ramadani & Hoy, 2015). They employ more than 85% of the total employees and generate more than 75% of the economy's GDP but only a limited number of firms pass to the next generation. Therefore, this study aims to analyze family businesses in The Gambia Textile sector and their succession plans. Specifically, this paper seeks to find answers to these questions: 'Why the number of family businesses passing to the next generation is limited?" and "What can be done to increase family business succession in The Gambia Textile Market?".

The qualitative research method was used in this study to interact with people who own family businesses and understand how they transfer the company from founder to successors. Semi-structured interviews were conducted with ten (10) family business owners in the urban area, mainly in Serekunda (it is the largest market in The Gambia under the Kanifing Municipal Council) and Banjul (the capital city of The Gambia). Useful information was collected from the family business owners in The Gambia on how they operate their firms.

Our findings reveal that, out of the ten companies, four are in their second generation, and the other six are in their first generation. The results showed that all the succession decisions were made in an informal way of discussion, and none was done formally. Out of the four firms that pass to the second generation, two were planned, and the other two were not planned and accelerated by an event. The founders took all the decisions by informal discussion with family members, and none of them was documented. The successors were identified based on experience, skills, abilities, responsibilities, customer relations, and interest in the family business. It was also

found that all successors were satisfied with their succession experience except MEJ, who mentioned that she still needs more because she did not spend much time in the business field yet still needs guidance from her father. Our findings also reveal that only one participant, A.J., mentioned that family association helps them in financial difficulties and promotes most women in their family to start a business for themselves. Other participants noted that their family association is a separate body from the company they do not have any link. The findings showed that family members play an essential role in the family business. They work together to control the firm's day-to-day activities and maintain the relationship with leading customers. Most of the young ones are involved at an early age to get used to the business activities and be able to control them.

The findings also revealed that six of the ten firms do not have a succession plan for their family business. Out of the four with a succession plan, only two of them plan to transfer responsibilities to the next generation in a year or less, while the other two are planning it in the next ten years to 15 years. To analyze what triggers them for not having a succession plan, K.T. mentioned that *"no plan yet because of the business's slowness and no season for the textile business in The Gambia. Maybe in the next ten years, I think I will be able to finalize whether the family business textile will continue, or we will invest in another family business".* Another participant with no succession plan S.O.J. mentioned maybe in the next ten years, and he will make the plan. Still, he did not achieve what he wants in the business, yet he wants to take the company to another level beyond today. A.B.J. said in his words, "*I will make the plan if I know that I cannot control it anymore, but at the moment, I do not have any succession plan".* A.J. mentioned that "*what is triggering me is that my elder child is a daughter, and I cannot pass it to her now as the African culture believes that all daughters should be under the control of their husband after getting married that is why I am training my son to be the successor".* According to A.K., he does not have any succession plan yet as the business started not long ago, but he would like to make that plan maybe in 25 years. Also M.J. said in his words, "*the reason is my sons that would have to be the best successors are not willing to be, and the one working with me is young and cannot control a business yet. Maybe in the next 10years, I will make that decision".*

It was found that family business holders face many challenges in handling their firms. The challenges mentioned were a high rental, high tax rate, a small population with high poverty rate, alarming currency rate, lack of price and market control, Covid-19 pandemic, lots of requests from family members, familism, wholesale suppliers selling with low prices, high electricity bills, textile materials go out fashion within a short period, lack of trustworthy employees and online ordering. Findings also reveal that a life experience that will contribute to a successful business succession is to be educated, have experience, discipline, respect, being honest, trustworthy, patient, and good communication skills as they deal with customers directly. Also, participants analyzed that it is vital to have good management skills, willing to learn, have business strategies, vision, encouragement from both family members and the government.

It was also found out that there are some experiences that family business holders would like to use for future succession and the ones they would not use. Participant A.J. mentioned that he would not use any current experience for future succession because of a lack of control and records at the moment. He added that this would not be used in future succession. K.T. mentioned that he would like to have a succession plan so that the upcoming generation can know their responsibilities. Another participant, S.O.J., said that they would like to continue with the current management style because everything is under control, but he would not want to continue working with family business without a monthly salary. O.J. mentioned that the experience of being honest in whatever someone is doing would be encouraged in future succession. According to A.B.J., the experience of taking records will always be considered, but the experience of going for something you do not have experience with will not be used in the future. S.D. mentioned that being honest and have a good relationship with the customer will forever be used in the future but employing based on familism and working with no proper control would not be used in future succession. A.J. also mentioned that having a good relationship with the customers is essential, but the experience of not giving responsibilities to the upcoming generation on time would not be used. According to A.K., having a business vision will be included in the future, and unnecessary spending will not be tolerated. Participant M.J. mentioned that the experience of being vigilant would be encouraged in future succession.

The importance of a succession plan was also found. The participants mentioned that a succession plan would help avoid misunderstanding or conflict within family members, help the business grow to many generations, help the next generation to be responsible in the family business as they will know their roles when their time to control arrive. A participant mentioned that a succession plan would encourage the young ones to love the business as they will be involved at an early age, it will help the old ones to retire on time, and with the education and resources of the current generation, they are the ones who can move the business forward better than the ones in their 60s.

From the findings revealed for this study, this paper can conclude that although most Gambia businesses are family businesses, they do not consider succession plans a critical action. From the interaction with family business owners in The Gambia, it was noticed that they have the experience, passion, and willingness to keep their businesses to many generations. Still, they always feel discouraged because of a lack of government help, especially in taxation and price control. The challenges they usually face make them lose hope, although they all believe that they can still do it and can make it in the future.

## 6.2 Recommendations

As this is the first study conducted in The Gambia family business, we believe that our findings will support agencies. It will initiate the government to help the family business holders as they contribute a lot to its economy. We recommend researchers to do more research on The Gambia family businesses. It was found that almost all the participants want to expand their business and go beyond retail business, it will be interesting if further researchers investigate the reason behind it. It was also found that the textile business in The Gambia has only two events that are shaping their businesses to where they are today. Further research is needed to investigate what can be done to increase the sales season for the textile businesses in The Gambia.

Secondly, as it was found that most family businesses face difficulties in taking supplies from the country, this study also recommended microfinance institutions provide more loans with a favorable interest rate to encourage them in their business trips. The study also recommends the government of The Gambia to help in making taxes favorable and control the rental payment to encourage the family business holders.

As this study was conducted only in the urban areas and no foreigner was involved, it is recommended to investigate family business in the rural area with more participants with foreigners involve.

## 6.3 Limitations of the Study

This study focuses mainly on family businesses in The Gambia textile market. The data was collected from the urban areas in two major markets in The Gambia that is Serekunda, the largest market and Banjul, the capital city. Only 10 (Ten) family business owners were involved in this study.

This study used a qualitative research method to interact with people who own family businesses and understand how they transfer the company from founder to successors with a semi-structured interviews method. Future researchers can use other methods like the questionnaire to increase the population size as this is the first study in The Gambia textile market and only 10 (Ten) participants were involved.

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## APPENDIX A.

### Interview Questions for Participants in First Generation

Before starting the interviews, the interviewees were guaranteed that their identity would be confidential and all the information from them too. They were informed that the interviews would be recorded to analyze all the information needed just for the purpose of this study, and the interview process took about an hour for each participant.

1. What is your name and how old are you?
2. Can you mention your educational background and prior work experience, if any?
3. How old is the business? Can you shortly describe the story of your firm?
4. How many total employees, other than you, work for the business? (full-time, part-time)
5. How many family members are actively working in the business? At what levels/roles? (sketch org chart if possible)
6. How many years have you been involved with the family business?
7. Please walk me through your time with the company – different positions/roles and their timing to the present.
8. What events and issues have been most important in shaping the firm as it is today?
9. What are the challenges of handling a family business?
10. What is the family's role in the business?
    a. How has it changed over the years?
    b. What changes do you see in the future?
11. How would you evaluate the contributions of the family association with the business?
    a. What difficulties does it create?
    b. What impact do family factors have on the decisions that are made?
    c. On the process of decision-making?
12. Do you see any changes in the association of the family and the business in the future?
13. How would you describe the role of a non-family executive in the decision-making process of the family firm?
14. To what extent is the younger generation being involved in the business? How is this being done?
15. Do you have a succession plan?

a. If yes, - can probe for thoughts on timing and how it will be communicated.
b. If no, - (i.e., not at this time), probe to see if there is a trigger when s/he thinks s/he will make a succession decision.

16. How will you identify the successor(s)? (age, skills, experience, eldest, son, etc.)
17. How are you going to make the decision (informal discussion with family members, formal o family meeting – votes, others involved, and their roles)
18. Do you believe that succession will be done without any cultural influence?
19. Are there things from your experience that you would use for future successions? What? Why? How would you make that?
20. Are there things from your experience that you would not use for future successions? What? Why? How would you make these changes? In closing (or - - As we windup) –
21. (Name), how important do you think a succession plan may be to the future of your family business?
22. What life experiences you believe will contribute to a successful business succession?
23. Do you think the business will successfully transfer to second-generation by following the principles and methodology mentioned?

## APPENDIX B.

### Interview Questionnaire for Participants in Second Generation

Before starting the interviews, the interviewees were guaranteed that their identity would be confidential and all the information from them too. They were informed that the interviews would be recorded to analyze all the information needed just for the purpose of this study, and the interview process took about an hour for each participant.

1. What is your name and how old are you?
2. Can you mention your educational background and prior work experience, if any?
3. How old is the business? Can you shortly describe the story of your firm?
4. How many total employees, other than you, work for the business? (full-time, part-time)
5. How many family members are actively working in the business? At what levels/roles? (sketch org chart if possible)
6. How many years have you been involved with the family business?
7. Please walk me through your time with the company – different positions/roles and their timing to the present.
8. What events and issues have been most important in shaping the firm as it is today?
9. What is the family's role in the business?
   a. How has it changed over the years?
   b. What changes do you see in the future?
10. How would you evaluate the contributions of the family association with the business?
    a. What difficulties does it create?
    b. What impact do family factors have on the decisions that are made?
    c. On the process of decision-making?
11. Do you see any changes in the association of the family and the business in the future?
12. How would you describe the role of non-family executives in the decision-making process of the family firm?
13. Tell me about (the story of) how the family decided how they were going to pass the business along. Who made the decision (made alone by the founder(s), others involved, what were their roles)?

14. How the decision was taken (informal discussion with family members, formal o family meeting – votes, others involved and their roles)
15. How was the successor(s) identified? (age, skills, experience, eldest, son, etc.)
16. Probe how culture influenced who was chosen.
17. What life experiences you believe contributed to a successful business succession
18. Let's talk briefly about the timing of the succession decision. I'll make a few statements; please indicate which statement best represents your family business' experience. (timing of succession decision and triggers)

    - ❖ The succession was always planned.
    - ❖ There was a critical event that accelerated the succession decision. § Can you elaborate on the critical event (health, retirement, availability of successor – return from college, coming of age, etc.)
    - ❖ Other

1. Were you satisfied with your succession experience? If yes, how so? If no, how so?

2. Are there things from your experience that you would use for future successions? What? Why? How would you make these changes?

3. Are there things from your experience that you would not use for future successions? What? Why? How would you make these changes? In closing (or - - As we windup) –

4. (Name), how important do you think a succession plan may be to the future of your family business?

5. To what extent is the younger generation being involved in the business? How is this being done? How does this reflect what you learned from your experience with the succession of the family business?

6. Do you have a succession plan? If yes, - can probe for thoughts on timing and how it will be communicated. If no, - (i.e., not at this time), probe to see if there is a trigger when s/he thinks s/he will make a succession decision.

7. Do you think the business will successfully transfer to the third generation by following the same principles and methodology.